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SAN FRANCISCO PORT COMMISSION

Leslie Katz, President
Willie Adams, Vice President
Kimberly Brandon, Commissioner
Doreen Woo Ho, Commissioner

Monique Moyer, Executive Director Amy Quesada, Commission Secretary
Phone: 415-274-0400; Fax 415-274-0412 Phone: 415-274-0406; Fax 415-274-0412

AGENDA TUESDAY, NOVEMBER 10, 2015 2:00 P.M. CLOSED SESSION 3:15 P.M. OPEN SESSION

PORT COMMISSION HEARING ROOM, SECOND FLOOR
FERRY BUILDING, SAN FRANCISCO CA 94111

The Port Commission Agenda as well as Staff Reports/Explanatory Documents available to the public and provided to the Port Commission are posted on the Port's Website at www.sfport.com. The agenda packet is also available at the Pier 1 Reception Desk. If any materials related to an item on this agenda have been distributed to the Port Commission after distribution of the agenda packet, those materials are available for public inspection at the Port Commission Secretary's Office located at Pier 1 during normal office hours.

1. CALL TO ORDER / ROLL CALL
2. APPROVAL OF MINUTES – October 13, 2015
3. PUBLIC COMMENT ON EXECUTIVE SESSION
4. EXECUTIVE SESSION

A. Vote on whether to hold closed session.

(1) CONFERENCE WITH LEGAL COUNSEL REGARDING EXISTING LITIGATION MATTERS (Discussion Items):

- a. Discuss existing litigation matters pursuant to California Government Code Section 54956.9(a) and San Francisco Administrative Code Section 67.10(d):
 - Corinne Woods, Michael Theriault and Tim Colen, petitioners and plaintiffs, v. John Armtz, in his official capacity as Director of Elections of the City and County of San Francisco, and City and County of San Francisco, respondents and defendants, and

- *California State Lands Commission, petitioner and plaintiff, v. City and County of San Francisco, et. al., respondents and defendants*; San Francisco Superior Court (Case No.: CGC-14-540531 filed July 15, 2014)

(2) CONFERENCE WITH LEGAL COUNSEL AND REAL PROPERTY NEGOTIATOR – This is specifically authorized under California Government Code Section 54956.8. *This session is closed to any non-City/Port representative: (Discussion Item)

- a. Property: Pier 1, located at the Embarcadero & Washington Street
Person Negotiating: Port: Jay Edwards, Senior Property Manager, Real Estate Division
Negotiating Parties: AMB Pier One LLC: Steve Lueck, Senior Vice President, Prologis

Under Negotiations: Price Terms of Payment ☒ Both
The Port and AMB Pier One LLC are negotiating business terms for the Option to Extend the Pier One master lease between AMB Pier One LLC and the Port. In this executive session, the Port's negotiator seeks direction from the Port Commission on factors affecting the price and terms of the Option to Extend, including price and terms, including price structure, financing mechanisms and other factors affecting the form, manner and timing of payment of the consideration for the property interests. The executive session discussions will enhance the capacity of the Port Commission during its public deliberations and actions to set the price and payment terms that are most likely to maximize the benefits to the Port, the City and the People of the State of California.

5. RECONVENE IN OPEN SESSION

- A. Possible report on actions taken in closed session pursuant to Government Code Section 54957.1 and San Francisco Administrative Code Section 67.12.
- B. Vote in open session on whether to disclose any or all executive session discussions pursuant to Government Code Section 54957.1 and San Francisco Administrative Code Section 67.12.

6. PLEDGE OF ALLEGIANCE

7. ANNOUNCEMENTS

- A. Announcement of Prohibition of Sound Producing Electronic Devices during the Meeting: Please be advised that the ringing of and use of cell phones, pagers and similar sound-producing electronic devices are prohibited at this meeting. Please be advised that the Chair may order the removal from the meeting room of any person(s) responsible for the ringing of or use of a cell phone, pager, or other similar sound-producing electronic device.
- B. Announcement of Time Allotment for Public Comments: Please be advised that a member of the public has up to three minutes to make pertinent public comments on each agenda item unless the Port Commission adopts a shorter period on any item.

8. PUBLIC COMMENT ON ITEMS NOT LISTED ON THE AGENDA

Public comment is permitted on any matter within Port jurisdiction and is not limited to agenda items. Public comment on non-agenda items may be raised during Public Comment Period. A member of the public has up to three minutes to make pertinent public comments. Please fill out a speaker card and hand it to the Commission Secretary. If you have any question regarding the agenda, please contact the Commission Secretary at 274-0406. No Commission action can be taken on any matter raised during the public comment period for items not listed on the agenda other than to schedule the matter for a future agenda, refer the matter to staff for investigation or respond briefly to statements made or questions posed by members of the public. (Government Code Section 54954.2(a))

9. EXECUTIVE

- A. Executive Director's Report
 - Launch of @SFPort Digital Newsletter – October 30, 2015
 - Update from California Fish & Game regarding Status of 2015 Crab Season
 - Ghost Ship at Pier 70 – October 31, 2015
 - Waterfront Plan Update: Waterfront Vision Workshop - October 19, 2015 and Boat Tour - November 1, 2015
 - Veterans Day Parade – November 8, 2015
 - Report on the American Association of Port Authorities Annual Convention in Miami, Florida – November 1 to 4, 2015
 - December 8, 2015 Port Commission Meeting – Venue changed to James R. Herman Cruise Terminal at Pier 27
 - Report on the 16th Friendship/Sister Ports Conference in Shanghai, China – October 26-29, 2015
- B. Port Commissioners' Report: Without discussion, at this time Commissioners may make announcements regarding various matters of interest to the Commissioner(s).

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- B. Port Commissioners' Report: Without discussion, at this time Commissioners may make announcements regarding various matters of interest to the Commissioner(s).

10. CONSENT

- A. Request authorization to advertise for competitive bids for Construction Contract No. 2776, Five Year Maintenance Dredging Project. (Resolution No. 15-39)
- B. Request authorization to advertise for competitive bids for Construction Contract No. 2764, Quint Street Lead Reconstruction Project. (Resolution No. 15-40)

11. PLANNING & DEVELOPMENT

- A. Informational presentation on the San Francisco Public Works' department request for proposals for public toilets and advertising kiosks.
- B. Direction to staff to work with the Office of Economic and Workforce Development and the Planning Department to create a parking management strategy that would consider the use of Port property at 19th and Illinois Streets and a portion of the Western Pacific property north of Pier 80 for overflow parking available for the proposed Golden State Warriors mixed-use arena project at Mission Bay South, if approved. (Resolution No. 15-42)
- C. Informational presentation on the proposed Infrastructure Financing Plan for Pier 70 Subarea G-1 encompassing the Pier 70 - Historic Core and approval of the Port-Controller Memorandum of Understanding to implement the Pier 70 - Historic Core Infrastructure Financing Plan. (Resolution No. 15-43)

12. REAL ESTATE

- A. Request authorization to issue Request for Proposals (RFP) for a Retail Leasing Opportunity at the Pier 29 Bulkhead Building located at Chestnut Street and The Embarcadero. (Resolution No. 15-41)

13. NEW BUSINESS

14. ADJOURNMENT

**FORWARD CALENDAR
(TARGETED COMMISSION MEETING, SUBJECT TO CHANGE)**

DECEMBER 8, 2015 – Please note change of meeting location from Ferry Building to James R. Herman Cruise Terminal at Pier 27 for the December meeting

	FACILITY/POLICY	ITEM	TITLE
1	Pier 27	Informational	Update on Special Events Activity at Pier 27
2	Portwide	Informational	Update by San Francisco Bay Area Super Bowl 50 Host Committee on Super Bowl 50 Activity affecting Port of San Francisco
3	Portwide	Informational	Presentation on the Port's 2015-2020 Strategic Plan
4	Bayview Gateway	Action	Approval to select an artist as recommended by the San Francisco Arts Commission through the Art Enrichment program and approve Memorandum of Understanding between the Port and San Francisco Arts Commission for the use of Port property for the Bayview Gateway Art installation
5	Pier 1	Action	Approval of Lease Extension with AMB Pier One LLC (dba Prologis for Premises at Pier 1 located the Embarcadero & Washington Street)
6	Portwide	Action	Authorization to Advertise a Request for Qualifications (RFQ) Soliciting As-Needed Real Estate Economics and Related Professional Services
7	Portwide	Action	Authorization to Advertise a Request for Qualifications (RFQ) Soliciting As-Needed Engineering and Related Professional Services
8	Portwide	Action	Approval of the Operations Agreement with Chevron U.S.A. Inc. ("Chevron") granting Chevron renewed authority to operate its refinery site in Richmond, California as a Foreign Trade Zone No. 3 subzone site for a term of five years, with three options to extend for five years each and outlining conditions for the operation of the subzone site

JANUARY 12, 2016

	FACILITY/POLICY	ITEM	TITLE
1	Portwide	Informational	Presentation by Executive Director Emily Murase and Women's Policy Director Minouche Kandel of the Department on the Status of Women regarding the "No Traffick Ahead" Campaign in preparation for Super Bowl 50 and Beyond
2	Portwide	Informational	Presentation by San Francisco Municipal Transportation Commission on the Waterfront Transportation Assessment

3	Portwide	Informational	Presentation on the Bay Area bike share program
4	Pier 31½	Informational	Presentation regarding business terms with the National Park Service for a long-term Pier 31½ ferry embarkation site to Alcatraz Island
5	Pier 31	Action	Authorization to award Construction Contract No. 2762R, Pier 31 Roof & Structural Repairs Project

FEBRUARY 9, 2016

	FACILITY/POLICY	ITEM	TITLE
1	Portwide	Informational	Presentation on the Port's Load Restricted (Yellow with Green Hatching-Tagged) and Fully Restricted (Red-Tagged) Facilities
2	Portwide	Informational	Presentation on the Port's Fiscal Year 2016-17 Operating and Capital Budgets

FEBRUARY 23, 2016

	FACILITY/POLICY	ITEM	TITLE
1	Seawall Lots 321, 323/324, 322-1, Piers 19½, 29½ and 33	Informational and Action	Presentation on the results of the Request for Proposals for a lease for surface parking lots at: (i) Seawall Lot 321, bounded by the Embarcadero, Front Street and Green Street for a five year term; (ii) Seawall Lot 323/324 bounded by the Embarcadero, Broadway Street and Davis Street for a three year term with two Port options to extend for one-year each; and (iii) interim term parking for Seawall Lot 322-1 bounded by Broadway Street, Front Street and Vallejo Street; Pier 19½; Pier 29½; Pier 33 and various expansion sites in the Northern Waterfront
2	India Basin	Informational	Presentation by the San Francisco Recreation and Parks Department on India Basin Open Space Planning and the interagency coordination between Recreation and Parks, the Office of Economic and Workforce Development, the Port, PG&E and Build Inc.
3	Portwide	Action	Approval of the Port's Fiscal Year 2016-17 Operating and Capital Budgets

MARCH 22, 2016

	FACILITY/POLICY	ITEM	TITLE
1	Seawall Lots 321, 323/324, 322-1, Piers 19½, 29½ and 33	Action	Authorization to award and negotiate a lease for surface parking lots at: (i) Seawall Lot 321, bounded by the Embarcadero, Front Street and Green Street for a five year term; (ii) Seawall Lot 323/324 bounded by the Embarcadero, Broadway Street and Davis Street for a three year term with

			two Port options to extend for one-year each; and (iii) interim term parking for Seawall Lot 322-1 bounded by Broadway Street, Front Street and Vallejo Street; Pier 19½; Pier 29½; Pier 33 and various expansion sites in the Northern Waterfront
2	Jefferson, Hyde & Leavenworth Streets	Action	Approval of Cost Reimbursement Agreement between City and County of San Francisco and ExxonMobil, Inc. for Management of Residual Petroleum Hydrocarbons on City Property within the block bounded by Jefferson, Hyde, and Leavenworth Streets, and San Francisco Bay

DATE TO BE DETERMINED

	FACILITY/POLICY	ITEM	TITLE
1	Portwide	Informational	Presentation on the Results of the Earthquake Vulnerability Study of the Northern Waterfront Seawall
2	Pier 70	Action	Authorization to advertise for competitive bids for Construction, Crane Cove Park Project Phase 1
3	Pier 94 and 96	Action	Authorization to advertise for competitive bids for Construction, Pier 94-96 Storm Drain and Outfall repairs
4	Loading Dock near Tulare Street	Action	Authorization to advertise for competitive bids for Construction, Copra Crane Refurbishment
5	Pier 35	Action	Authorization to advertise for competitive bids for Construction, Pier 35 Substructure Repairs
6	Pier 80	Action	Approval of Marine Terminal Agreement at Pier 80
7	Pier 31½	Action	Approval of business terms leading to a Memorandum of Understanding with the National Park Service for a long-term Pier 31½ ferry embarkation site to Alcatraz Island
8	Seawall Lots 321, 323/24, 322-1 and Piers 19½, 29½ and 33	Action	Approval of lease for surface parking lots at: (i) Seawall Lot 321, bounded by the Embarcadero, Front Street and Green Street for a five year term; (ii) Seawall Lot 323/324 bounded by the Embarcadero, Broadway Street and Davis Street for a three year term with two Port options to extend for one-year each; and (iii) interim term parking for Seawall Lot 322-1 bounded by Broadway Street, Front Street and Vallejo Street; Pier 19½; Pier 29½; Pier 33 and various expansion sites in the Northern Waterfront, subject to Board of Supervisor's approval
9	Portwide	Action	Approval of San Francisco Public Works vendors proposals for Public Toilets and advertising Kiosks, support for selection of vendor, affecting several locations on Port property

DECEMBER 2015
CALENDAR OF UPCOMING PORT MEETINGS – OPEN TO THE PUBLIC

DATE	TIME	GROUP	LOCATION
Dec. 8	2:00 PM Closed Session 3:15 PM Open Session	Port Commission	James R. Herman Cruise Terminal at Pier 27

NOTES:

The San Francisco Port Commission meets regularly on the second and fourth Tuesday of the month at 3:15 p.m., unless otherwise noticed. The Commission Agenda and staff reports are posted on the Port's Website @ www.sfport.com. Contact Amy Quesada at 274-0406 or amy.quesada@sfport.com

Full Commission meetings are replayed on San Francisco cable via SFGovTV2 and streamed on the Internet. Broadband service is recommended for access. The Port Commission is generally broadcast on SFGovTV2, cable channel 78 on the 2nd & 4th Thursday of the month at 9 p.m. SFGovTV archives include a recording of each meeting, an agenda with links to the specific portion of the meeting, a file containing all closed captions for the deaf from the meeting and an MP3 recording of the meeting. The Port Commission meetings can be viewed online at http://sanfrancisco.granicus.com/ViewPublisher.php?view_id=92

The Fisherman's Wharf Waterfront Advisory Group (FWWAG) meets regularly on a bi-monthly basis, on the third Tuesday of the month. The regular meeting time and place is 9:00 a.m. at Scoma's Restaurant, Pier 47 at Fisherman's Wharf. Contact Rip Malloy @ 274-0267 or rip.malloy@sfport.com

The Maritime Commerce Advisory Committee (MCAC) meets every other month, on the third Thursday of the month, from 11:30 a.m. to 1:00 p.m. @ Pier 1. Contact Jim Maloney @ 274-0519 or jim.maloney@sfport.com

The Mission Bay Citizens Advisory Committee meets on the second Thursday of the month at 5:00 p.m. in the Creek Room at Mission Creek Senior Building located at 225 Berry Street in San Francisco (along the Promenade just beyond the library.) Contact Hilde Myall @ 749-2468 or hilde.myall@sfgov.org. For matters related to the proposed Golden State Warriors Event Center, the main contact is Adam Van de Water at MOED Adam.VandeWater@sfgov.org

The Northeast Waterfront Advisory Group (NEWAG) meets regularly on a bi-monthly basis on the first Wednesday of the month from 5:00 p.m. to 7:00 p.m. in the Bayside Conference Room @ Pier 1. Contact Diane Oshima @ 274-0545 or diane.oshima@sfport.com

The Central Waterfront Advisory Group (CWAG) meets monthly on an as-needed basis, generally on the third Wednesday of the month from 5 to 7 p.m. in the Bayside Conference Room at Pier 1. Contact Mark Paez @ 705-8674 or mark.paez@sfport.com

The Southern Waterfront Advisory Committee (SWAC) meets at the last Wednesday of the month as needed from 6:00 to 8:00 p.m. Location to be determined. Contact Kanya Dorland @ 274-0264 or kanya.dorland@sfport.com and/or David Beaupre @ 274-0539 or david.beaupre@sfport.com

The Waterfront Design Advisory Committee (WDAC) meets jointly with the Design Review Board of the Bay Conservation and Development Commission on the first Monday of the month at BCDC, 50 California Street, Rm. 2600, at 6:30 p.m. The Committee meets as needed on the fourth Monday of the month at 6:30 p.m. in the Bayside Conf. Rm. @ Pier 1. Contact Dan Hodapp @ 274-0625 or dan.hodapp@sfport.com

ACCESSIBLE MEETING INFORMATION POLICY

FERRY BUILDING:

The Port Commission Hearing Room is located on the second floor of the Ferry Building. The main public entrance is from the west (Embarcadero) side and is served by a bank of elevators adjacent to the historic staircase. Accessible public restrooms are on the first floor at the northeast end of the building as well as on the second floor across the lobby from the Port Commission Hearing Room. The main path of travel to the Port Commission Hearing Room is equipped with remote infrared signage (Talking Signs). The Port Commission Hearing Room is wheelchair accessible. Accessible seating for persons with disabilities (including those using wheelchairs) is available. The closest accessible BART and MUNI Metro station is Embarcadero located at Market & Spear Streets. Accessible MUNI lines serving the Ferry Building area are the F-Line, 9, 31, 32 and 71. For more information about MUNI accessible services, call (415) 923-6142. The nearest accessible parking is provided in the following off-street pay lots: 3 spaces in the surface lot on the west side of the Embarcadero at Washington Street.

Hourly and valet parking is available in the Pier 3 lot. This lot is accessed through the Pier 3 bulkhead building entrance on the east side of the Embarcadero. This lot is located on the pier deck; adjacent to the ferry boat Santa Rosa. Additional covered accessible off-street pay parking is available in the Golden Gateway Garage, which is bounded by Washington, Clay, Drumm and Battery Streets. Entrance is on Clay St. between Battery and Front Streets. There is no high-top van parking. Metered street parking is available on the Embarcadero, Washington, Folsom & Drumm Streets.

In order to assist the City's efforts to accommodate persons with severe allergies, environmental illness, multiple chemical sensitivity or related disabilities, attendees at public meetings are reminded that other attendees may be sensitive to various chemical based products. Please help the City to accommodate these individuals.

Disability Accommodations:

To request assistive listening devices, sign language interpreters, readers, large print agendas or other accommodations, please contact Wendy Proctor, Port's ADA Coordinator at (415) 274-0592 or via email at wendy.proctor@sfport.com or Amy Quesada, Commission Secretary, at (415) 274-0405 or via email at amy.quesada@sfport.com at least 72 hours in advance of the hearing. The Port's TTY number is (415) 274-0587.

Language Assistance

311 Free language assistance / 免費語言協助 / Ayuda gratuita con el idioma / Бесплатная помощь переводчиков / Trợ giúp Thông dịch Miễn phí / Assistance linguistique gratuite / 無料の言語支援 / 무료 언어 지원 / ʔɪˈlɪŋˈɡwɪʃ / Libreng tulong para sa wikang Tagalog

NOTICES

Know Your Rights Under the Sunshine Ordinance:

Government's duty is to serve the public, reaching its decisions in full view of the public. Commissions, boards, councils and other agencies of the City and County exist to conduct the people's business. This ordinance assures that deliberations are conducted before the people and that City operations are open to the people's review. For more information on your rights under the Sunshine Ordinance (Sections 67.1 et seq. of the San Francisco Administrative Code) or to report a violation of the ordinance, contact Chris Ruston by mail: Sunshine Ordinance Task Force, 1 Dr. Carlton B. Goodlett Place, Room 244, San Francisco CA 94102-4689; by phone at (415) 554-7724; by fax at (415) 554-7854 or by email at soff@sfgov.org. Citizens interested in obtaining a free copy of the Sunshine Ordinance can request a copy from Mr. Ruston or by printing Sections 67.1 et seq. of the San Francisco Administrative Code on the Internet, at <http://www.sfgov.org/sunshine>.

Prohibition of Ringing of Sound Producing Devices:

The ringing of and use of cell phones, pagers, and similar sound-producing electronic devices are prohibited at this meeting. Please be advised that the Chair may order the removal from the meeting room of any person(s) responsible for the ringing or use of a cell phone, pager, or other similar sound-producing electronic device.

Lobbyist Registration and Reporting Requirements:

Individuals and entities that influence or attempt to influence local legislative or administrative action may be required by the San Francisco Lobbyist Ordinance (SF Campaign & Government Conduct Code Sections §2.100 – 2.160) to register and report lobbying activity. For more information about the Lobbyist Ordinance, please contact the San Francisco Ethics Commission at 30 Van Ness, Suite 3900, San Francisco, CA 94102, phone (415) 581-2300 or fax (415) 581-2317; web site: www.sfgov.org/ethics.

CEQA Appeal Rights under Chapter 31 of the San Francisco Administrative Code:

If the Commission approves an action identified by an exemption or negative declaration as the Approval Action (as defined in S.F. Administrative Code Chapter 31, as amended, Board of Supervisors Ordinance Number 161-13), then the CEQA decision prepared in support of that Approval Action is thereafter subject to appeal within the time frame specified in S.F. Administrative Code Section 31.16. Typically, an appeal must be filed within 30 calendar days of the Approval Action. For information on filing an appeal under Chapter 31, contact the Clerk of the Board of Supervisors at City Hall, 1 Dr. Carlton B. Goodlett Place, Room 244, San Francisco, CA 94102, or call (415) 554-5184. If the Department's Environmental Review Officer has deemed a project to be exempt from further environmental review, an exemption determination has been prepared and can be obtained on-line at <http://sf-planning.org/index.aspx?page=3447>. Under CEQA, in a later court challenge, a litigant may be limited to raising only those issues previously raised at a hearing on the project or in written correspondence delivered to the Board of Supervisors, Planning Commission, Planning Department or other City board, commission or department at, or prior to, such hearing, or as part of the appeal hearing process on the CEQA decision.



MEMORANDUM

November 5, 2015

TO: MEMBERS, PORT COMMISSION
Hon. Leslie Katz, President
Hon. Willie Adams, Vice President
Hon. Kimberly Brandon
Hon. Doreen Woo Ho

FROM: Monique Moyer *MMoyer*
Executive Director

SUBJECT: Request authorization to advertise for competitive bids for Construction Contract No. 2776, Five Year Maintenance Dredging Project

DIRECTOR'S RECOMMENDATION: Approve Attached Resolution

Executive Summary

Port staff requests the Port Commission's authorization to advertise for competitive bids for Contract No. 2776, Five Year Maintenance Dredging Project ("Project"). The Project provides for dredging at various sites along the San Francisco waterfront from calendar Year 2016 through calendar Year 2020.

Strategic Objective

Promoting maritime commerce has been a long standing objective of the Port. Further the Port's Strategic Plan calls for the Port to attract and retain maritime commerce in order to contribute to the economic vitality and long-term vitality of the Port and the City. While certain of the Port's berths, such as the east face of Piers 30-32 are naturally deep, many of the Port's active berths require periodic dredging to support this mission and strategy.

Background

The current Five Year Maintenance Dredging Project Contract 2746 expires on December 31, 2015. The Port Commission in 2011 authorized the award of Contract No. 2746 to Dutra Dredging Company (Port Commission Resolution no. 11-25), and at its meeting on June 23, 2015, authorized Port Staff to execute a contract modification to Contract No. 2746, to increase the contract amount by \$1,200,000 to a total contract amount of \$17,101,050 (Port Commission Resolution no. 15-24).

This new contract will continue the Port's portfolio-wide dredging program. During the term of this contract, the Port expects to require maintenance dredging at several Port

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facilities including Pier 27, Piers 30/32, Pier 35, Pier 80, Pier 92, Islais Creek, Central Basin, Fisherman's Wharf, Piers 94/96 and others along the San Francisco waterfront. The contract scope will include mobilization and demobilization, hydrographic surveying, dredging, dredge material transportation for in-Bay disposal, ocean disposal, and beneficial reuse sites, and crane lifting services, as set forth in the construction contract documents.

The Port's Dredging Program Team's cost estimate for this Project, for a five-year duration, is \$28,500,000. The estimated cost has escalated from the previous five-year contract by approximately 60%. The estimated increase is primarily due to a combination of an increase in dredging volume by 40% and higher disposal costs associated with DMMO's (defined below) requirement to utilize more beneficial reuse and ocean disposal of dredged materials. Dredging volume has grown by 40% because of increased dredge areas at Pier 35 and Pier 27 to accommodate large ship maneuvering and areas of deferred dredging that will require dredging within the next two to three years. At the same time, costs associated with ocean disposal and beneficial reuse are significantly higher than for in-Bay disposal. Over the years, DMMO has been requiring more and more percentage of dredge material to be diverted to ocean disposal and beneficial reuse. This has resulted in significant increase in the Port's dredging cost.

The Project cost will be funded from Port capital funds for maintenance dredging. Port staff intends to request bidding on a unit price basis and will determine the lowest bidder based on the total bid price, which, in turn, will be based on the Project Engineer's estimated quantity for the project. Due to limited appropriated funds at the time of award, the Port staff intends to award the contract based upon the available funds for dredging in fiscal year 2015/2016, and funds remaining from fiscal year 2014/2015. The contract will be modified to fund necessary work as additional funding becomes available.

Regulatory Approvals

The Port is authorized to conduct maintenance dredging under 10-year permits from the U.S. Army Corps of Engineers (USACE), San Francisco Bay Conservation and Development Commission (BCDC), and the San Francisco Regional Water Quality Control Board (RWQCB). For each dredging episode, all material proposed to be dredged is tested (chemically and biologically) as per regional and federal guidance. Authorization to dredge is contingent on the Dredging Material Management Office's (DMMO) approval. The DMMO determines the suitability of sediment for various disposal options based on the quality of the dredge material tested. . The DMMO includes representatives from the U. S. Environmental Protection Agency, San Francisco Bay Conservation and Development Commission, San Francisco Bay Regional Water Quality Control Board, and the U.S. Army Corps of Engineers.

Approval is documented by the issuance of an authorization to commence work by the USACE, BCDC, and RWQCB under the following permits:

- USACE Permit (Order No. 2013-00333S (expires December 31, 2024).
- RWQCB Permit CIWQS Place No. 735444 (EAC) (expires December 31, 2023).
- BCDC Permit (Order No. M02-71) (expires October 29, 2019).

The contract will incorporate the dredging and disposal requirements noted in the "Long Term Management Strategy for the San Francisco Bay (LTMS)" and implemented by DMMO, including provisions for meeting volume percentage allocations to place dredge material at various permitted disposal sites: in-Bay disposal (20%), ocean disposal (40%), and beneficial reuse sites (40%).

Climate Action

The LTMS EIS-EIR (Environmental Impact Statement / Environmental Impact Report) addressed air quality impacts related to maintenance dredging. In general, the LTMS dredging of navigational channels and harbors provides for more fully loaded ships. As a result, fewer ships would be required to transport the same amount of cargo compared to the existing fleet, and fewer emissions would be produced over the long term. Sea Level Rise is not expected to cause any major issue for this Project.

Local Business Enterprise

The Contract Monitoring Division (CMD) enforces the City's Administrative Code Chapter 14B, the Local Business Enterprise and Non-Discrimination in Contracting Ordinance. The ordinance establishes 10% bid discounts for LBE prime contractors and empowers CMD to set LBE subcontractor participation goals based upon availability of LBE firms to complete the type of work included in the contract. The scope of work for the proposed dredging contract is limited to dredging, hydrographic surveying, and in water transportation. CMD staff have reviewed the Project scope and funding sources for this contract, and determined that there are no subcontracting opportunities for LBEs as part of the proposed contract. Port staff has obtained an LBE subcontracting goal waiver based on CMD's determination that there are no LBE subcontracting opportunities on this project.

On September 29, 2015, Westar Marine Services, a SBE-LBE firm in the Marine Equipment & Supplies category, submitted a letter to the Port requesting consideration of utilization of SBA-LBE subcontracting to meet the City's LBE subcontracting goal (attached). CMD responded to the letter with an explanation that there is not a sufficient number of LBEs available to mandate an LBE goal. Westar Marine is the only SBA-LBE certified firm that would be able to perform work under this contract's work scope (attached). Although CMD lacks the authority to mandate that the prime contractor work with one particular subcontractor as a sole source, CMD and the Port will encourage the utilization of any LBE firms for subcontracting during the course of the contract. The successful bidder will be required to work with CMD and the Port to identify LBE firms available to perform subcontracting tasks to the extent possible.

Bid Solicitation Process

The proposed solicitation for bids will require bidders to possess a Class A General Contractor's License with at least three (3) years dredging experience of similar magnitude and scope as shown on the contract documents.

The solicitation of bids will be advertised to reach the contractor market through the following channels:

- Direct targeted emails and phone notifications based on previous record of dredging contracts advertisement.
- Chambers of Commerce – Postings and alerts within the traditional and ethnic Chambers
- Contract Monitoring Division list of contractors
- Port Engineering division's list of contractors
- Port Website
- City and County of San Francisco Office of Contract Administration's Website
- Plan Rooms (Builders Exchange, Contractors Information Network, etc.) 24 total
- Newspapers (SF Examiner and Small Business Exchange)
- SFPUC Contractor Assistance Center

After the solicitation and receipt of bids, Port staff will propose award of the contract to the lowest responsive, responsible bidder.

Funding

The contract will be awarded using funds from fiscal year 2015/2016, and funds remaining from fiscal year 2014/2015. Port staff intends to fund the balance of the project with fiscal year 2016/2017 through 2019/2020 Port capital funds for dredging, if approved by the Port Commission, Mayor and Board of Supervisors as part of the Port's annual budget.

Schedule

The anticipated project schedule is as follows:

Port Commission Approval to advertise for bids	November 10, 2015
Advertisement	November, 2015
Bid Opening	December, 2015
Port Commission Approval to Award the Construction Contract	January, 2016
Construction Start	March, 2016
Substantial Completion	December, 2020

Summary

The Project will help maintain navigable waterways at Port sites including Pier 27, Piers 30/32, Pier 35, Pier 80, Pier 92, Islais Creek, Central Basin, Fisherman's Wharf, Piers 94/96 and others along the San Francisco waterfront by providing necessary maintenance dredging to support the Port's maritime business.

Recommendation

Port staff is prepared to seek competitive bids for this Project. Therefore, Port staff requests Port Commission authorization to advertise for and accept competitive bids for construction contract No. 2776, Five Year Maintenance Dredging Project.

Prepared by: Ken Chu
Project Engineer

John Davey
Assistant Deputy Director Maritime

For: Eunejune Kim
Chief Harbor Engineer

Attachments

A: Letter from Mary McMillan, President of Westar Marine Services to Port of San Francisco, dated September 29, 2015

B: Letter from CMD to Mary McMillan, President of Westar Marine Services, dated October 6, 2015

**PORT COMMISSION
CITY AND COUNTY OF SAN FRANCISCO**

RESOLUTION NO. 15-39

- WHEREAS, Port staff seeks authorization to advertise and accept competitive bids for construction Contract No. 2776, Five Year Maintenance Dredging Project (the "Project"); and
- WHEREAS, the construction Project will allow a qualified contractor to perform necessary maintenance dredging to provide navigable waterways to support the Port's maritime business; and
- WHEREAS, the Project scope will include dredging at Port sites, including Pier 27, Piers 30/32, Pier 35, Pier 80, Pier 92, Islais Creek, Central Basin, Fisherman's Wharf, Piers 94/96 and others along the San Francisco waterfront from Year 2016 through Year 2020; and
- WHEREAS, the current estimated cost for this Project, for a five-year duration, is \$28,500,000, and will be funded from Port capital funds for maintenance dredging, as approved through the Port's budget process; and
- WHEREAS, Port staff intends to initially award the Project contract based upon the available funds for dredging in fiscal year 2015/2016, and funds remaining from fiscal year 2014/2015; and
- WHEREAS, Port staff intends to modify the contract to fund necessary work as additional funding becomes available; and
- WHEREAS, the contract will incorporate the dredging and disposal requirements noted in the "Long Term Management Strategy for the San Francisco Bay" – including provisions for in-bay disposal, ocean disposal, and upland disposal of dredge materials – developed by the Dredging Material Management Office (DMMO), a joint program of the San Francisco Bay Conservation and Development Commission (BCDC), San Francisco Bay Regional Water Quality Control Board (RWQCB), California State Lands Commission (CSLC), the U.S. Army Corps of Engineers (USACE), and Region 9 of the U.S. Environmental Protection Agency (EPA); and
- WHEREAS, the City's Contract Monitoring Division (CMD) staff have reviewed the Project scope and funding sources for this contract, and determined that there are no authorized subcontracting opportunities for Local Business Enterprises (LBEs) as part of the proposed dredging contract and have waived any official LBE requirement but both CMD and Port staff will encourage the utilization of any LBE firms for subcontracting during the course of the contract; now, therefore be it

RESOLVED, that the San Francisco Port Commission hereby authorizes Port staff to advertise for and accept competitive bids for Contract No. 2776, Five Year Maintenance Dredging Project and strongly encourages those contracts to include LBE subcontractors.

I hereby certify that the foregoing resolution was adopted by the San Francisco Port Commission at its meeting of November 10, 2015.

Secretary



MARY MCMILLAN
PRESIDENT

September 29, 2015

Port Dredging RFP: Include LBE Subcontracting Goals

Port of San Francisco
Pier 1, The Embarcadero
San Francisco, CA 94111
Attn.: Eunejune Kim, Chief Harbor Engineer

Dear Mr. Kim:

We are writing in regards to the proposed waiver of LBE subcontracting goals in the Port dredging RFP currently under consideration.

Westar Marine Services is a women-owned business enterprise providing tug, barge and water taxi services. Westar has been a Port tenant for 40 years. I have been President and Wendy Morrow Vice President since the early 1980's and are the two owners of Westar. Westar has been certified by CalTrans since 1994 first as a DBE and then as a WBE once we grew too large.

Cross Link Inc. dba Westar Marine Services (our full business name) is currently certified as an SBA-LBE, number SBA-LBE-CMD-13546, and has been certified as an LBE since 2010.

We are disappointed that Port staff is seeking a waiver from LBE subcontracting requirements in the RFP.

We respectfully request that the Port include LBE subcontracting goals in the dredging RFP and also that the Port request the City's Contract Monitoring Division to allow prime contractors to satisfy the goal by using SBA-LBE firms.

Please note that's the City's 14B Local Business Enterprise and Non-discrimination Contracting Ordinance allows the use of SBA-LBE's in Section 14B.8:

Contractors shall satisfy the LBE subcontracting participation goals by using Small and Micro-LBEs with the following exception: If the Director determines there are not sufficient Small and Micro-LBEs available to perform the subcontracting work on the Contract, the Director may set goals based on the availability of all LBEs and permit Contractors to satisfy the goals by using Small, Micro or SBA-LBEs, or may set separate goals for Small and Micro-LBEs and for SBA-LBEs

Thank you for your consideration of our requests.

Yours truly,

c: Ken Chu, Project Engineer
Peter Dailey, Maritime Director
John Davey, Chief Wharfinger
Boris Delphine, Finance & Administration
Lupe Arreola, Contract Monitoring Division
P.O. Box 78100

San Francisco, CA 94107-9991
(415) 495-3191 / Fax 495-0683



VHF Channel 9 - 24 hours
info@westarmarineservices.com
www.westarmarineservices.com



GENERAL SERVICES AGENCY
CONTRACT #151 TORRELL DRIVE



October 6, 2015

Mary McMillan
President
Westar Marine Services
P.O. Box 78100
San Francisco, CA 94107-3901

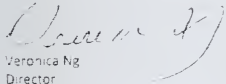
Re: Local Business Enterprise (LBE) Sub-participation Requirement for Port of San Francisco
Contract #2776 Marine Dredging Contract

Dear Ms. McMillan,

This is in response to Westar Marine Services' letter dated September 19, 2015 regarding your request to consider using SBA-LBEs to meet the LBE sub-participation requirement for Port of San Francisco's #2776 Marine Dredging Contract. CMD conducted a review of the SBA-LBE firms certified under Marine Equipment & Supplies. Currently Westar Marine is the only SBA-LBE firm certified under this category. Furthermore, based on the information provided by Port, Marine Equipment and Supplies is not included as a scope of work for this contract. Therefore, CMD is unable to include this category of work or consider SBA-LBEs for the LBE sub-participation requirement for this contract.

Please contact me at 415 531-2310 if you have any further questions.

Sincerely,


Veronica Ng
Director



MEMORANDUM

November 5, 2015

TO: MEMBERS, PORT COMMISSION
Hon. Leslie Katz, President
Hon. Willie Adams, Vice President
Hon. Kimberly Brandon
Hon. Doreen Woo Ho

FROM: Monique Moyer
Executive Director

SUBJECT: Request authorization to advertise for competitive bids for Construction Contract No. 2764, Quint Street Lead Reconstruction Project

DIRECTOR'S RECOMMENDATION. Approve Attached Resolution

Executive Summary

Port staff requests Port Commission authorization to advertise for competitive bids for Contract No. 2764, Quint Street Lead Reconstruction Project (the "Project"). The Quint Street Lead (Lead) is an approximately nine-tenths of a mile long freight rail spur track connecting the Peninsula Corridor Main Line with the Port's cargo terminals and rail yard (see Exhibit A). The Project will provide rail, support system, and street improvements to increase service, load capacity, and safety.

Strategic Objective

The Port's Strategic Plan calls for furthering the Port's financial stability with a requirement to attract and retain maritime commerce in order to contribute to the long-term vitality of the Port and the City. The project will promote maritime business opportunities by increasing the efficiency of maritime commerce at Port's southern waterfront.

Background

Freight rail service is an essential component of the Port's cargo business at Piers 80-94 & 96 and the Backlands area. Union Pacific Railroad (UP) provides freight rail service to and from the Port via the Quint Street Lead, a nine-tenths of a mile long spur track that connects to the Peninsula Corridor Main Line. UP jointly owns the Lead with BNSF Railway, but is the sole operating railroad. The Peninsula Corridor Main Line is owned by the Peninsula Joint Powers Board (JPB) which operates the Caltrain commuter rail over the Main Line. UP has rights to operate freight trains over the Main Line within off-peak windows.

THIS PRINT COVERS CALENDAR ITEM NO. 10B

The Quint Street Lead exits the Main Line at a switch just north of Oakdale Avenue and winds its way across and along City Streets to 3rd Street where it crosses and enters the Port just south of Islais Creek. The current condition and configuration of the Lead limits the speed, frequency, weight and length of trains that serve the Port and result in longer-than-necessary delays at multiple street crossings. Recognizing the need for improvements to support Port maritime business, the Port applied for and was awarded a \$2,970,000 grant from the U.S. Department of Transportation's Federal Railroad Administration's (FRA) Rail Line Relocation and Improvement (RLR) Grant Program (with a minimum of ten percent Port matching funds which are included in the Port's capital project budget) to rebuild the Quint Street Lead Track (Project). The Grant requires that the Port, as recipient, execute the Project. UP does not have plans to perform these improvements in the near future and the Port is proactively ensuring that these improvements are completed to promote the Port's maritime business. In terms of UP's contribution, Caltrain and UP are currently negotiating for updated electronic switch gear that allows cargo trains to move onto and off of the Lead to/from the Main Line. UP will most likely pick up these costs which are estimated to be in excess of \$2 million. All told, the upgrades will improve intermodal access to the Port for longer, heavier trains, repair port/city streets, reduce liability, and increase safety.

Project Description

The Project will reconstruct approximately 0.6 miles of the Lead, from just north of Jerrold Avenue to 3rd Street, by replacing the rail, ties and a portion of the ballast with new materials that meet current UP industry track standards. This portion of the lead is in the poorest condition and the upgrades will improve efficiency, safety, and allow UP to operate high capacity six axle locomotives over the Lead to serve the Port.

Additional work includes street pavement reconstruction adjacent to the tracks, sidewalk reconstruction at the Evans Avenue track crossing, and coordination with UP whom will perform signal upgrade work at the same time.

The track, owned by UP and BNSF, is currently only used for serving the Port. Portions of the right of way are owned by UP/BNSF, the City and County of San Francisco, and Port of San Francisco. The Port will lease the track from UP for purposes of reconstruction only, returning the track after completion of work. The Port Commission approved the lease terms at its April 22, 2014 meeting (Resolution 14-23).

Port staff, working with consultants, completed the design, secured entitlements as noted below, and will manage the bid, contract award and construction.

Regulatory Approvals and Permits

At the time of advertisement for construction bids, all regulatory approvals will be secured or in process. Port staff will secure final approvals and permits prior to construction. Below is a list of major required regulatory approvals and status.

California Environmental Quality Act (CEQA) – A Categorical Exemption was issued by the San Francisco Planning Department on April 11, 2013 (<http://sf-planning.org/index.aspx?page=3447>). The Port Commission's "Approval Action" occurred at its meeting on April 22, 2014 (<http://www.sfport.com/index.aspx?page=2416>).

National Environmental Policy Act (NEPA) - The Federal Railroad Administration issued a Categorical Exclusion for the Project on March 26, 2014.

Union Pacific Approval - UP is the owner of the track and will review all work for compliance and acceptance. UP has reviewed the Contract Documents for compliance and Port will coordinate review and acceptance of construction improvements prior to final acceptance.

California Public Utilities Commission (CPUC) – The CPUC regulates railroad crossings in California. This project will modify three existing crossings. Prior to modification work, approval of the CPUC is required. The approvals are in process and will be acquired prior to the work taking place.

Port of San Francisco – An Encroachment Permit is required for work within Port owned Right of Way. The permit will be issued prior to the work taking place.

City of San Francisco – A Street Improvement Permit is required for work within City owned Right of Way. The Port will secure the permit from the San Francisco Public Works Bureau of Street-Use and Mapping prior to the work taking place.

Compliance with San Francisco Contract Monitoring Division

As a condition of the grant agreement between the Port and the Federal Railroad Association, Port staff worked with the San Francisco Contract Monitoring Division (CMD) to develop a plan to ensure the use of contractors owned and controlled by socially and economically disadvantaged individuals.

CMD staff reviewed the Project's scope of work and set a 20% Small Business Enterprise (SBE) goal. The City's Local Business Enterprise Ordinance cannot be applied on federally funded projects. However, businesses holding the following certifications may be used to meet the Project's SBE goal:

1. A California Small Business certified by the Office of Small Business & Disabled Veteran Business Enterprise Services ("OSDS");
2. A Local Business Enterprise ("LBE") firm certified by the Contract Monitoring Division of the City and County of San Francisco; or
3. A firm certified as a Disadvantaged Business Enterprise ("DBE") by any state's Unified Certification Program ("UCP").

The Port will provide the FRA with quarterly contractor performance reports on the prime contractor's progress toward achieving the Project's SBE goal. Port staff will also include updates on this contract in future Port Commission contract activity reports.

San Francisco Local Hiring Ordinance

The San Francisco Local Hiring Ordinance applies to City and County of San Francisco funded projects. Local hiring preferences cannot be applied to this project due to federal funding requirements.

Southern Waterfront

The project includes roadway and sidewalk improvements along the tracks and at the Evans Avenue track crossing, which will improve vehicular and pedestrian access and safety.

Advertisement

Bids will be advertised to reach contractors through the following methods:

- Direct targeted emails based on location and trade
- Chambers of Commerce – Postings and alerts within the traditional and ethnic Chambers
- Merchant Associations - Postings and alerts within the traditional and ethnic Chambers
- Minority/Women Business Enterprise Agencies
- Direct phone calls to targeted individuals and businesses to promote joint ventures
- Contract Monitoring Division list of contractors
- Port Internet
- Office of Contract Administration Internet Site
- San Francisco Public Library
- Plan Rooms (Builders Exchange, Contractors Information Network, etc.) 18 total
- Chambers of Commerce:
 - Hispanic Chamber of Commerce
 - San Francisco African Chamber of Commerce
 - Chinese Chamber of Commerce
- San Francisco Chronicle (or Examiner)
- Community Newspapers:
 - Bay Area Reporter
 - Central City Extra
 - El Mensajero
 - EL Reportero
 - Marina Times/Northside Publications
 - Potrero View
 - San Francisco Bayview
 - Sing Tao Daily
 - Small Business Exchange
 - The Western Edition
 - World Journal
 - Sun Reporter
- SFPUC Contractor Assistance Center

After the solicitation and receipt of bids, Port staff will propose award of the contract to the lowest responsive, responsible bidder.

Funding & Budget

On October 8, 2013 in Resolution 13-14 (<http://www.sfport.com/index.aspx?page=2339>) the Port Commission authorized the Executive Director to accept and expend a \$2.97 million grant from the U.S. Department of Transportation's Federal Railroad

Administration's (FRA) Rail Line Relocation and Improvement (RLR) Grant Program to rebuild the Quint Street Lead Track. At that time, the total estimated cost of the Project was \$3.3 million, requiring a 10 percent Port match of \$330,000. It was recognized that any additional expense shall be borne by the Port as Grantee. Since then, the construction cost estimate for the project has escalated due to inclusion of road paving and inflation (cost escalation) as shown below:

The Engineer's cost estimate for the Construction Contract is:

Engineer's Estimate:	\$ 3,700,000
10% Contingency:	<u>\$ 370,000</u>
 Total Estimated Construction Cost:	 \$ 4,070,000

The following is final breakdown of available capital funding, which includes soft costs-

	FRA	PRT	Total	FRA	PRT
Original Grant	\$2.97M	\$0.33M	\$3.30M	90%	10%
Cost Escalation		\$1.00M	\$1.00M	0%	100%
Road Paving		\$0.48M	\$0.48M	0%	100%
Total	\$2.97M	\$1.81M	\$4.78M	62%	38%

Schedule

The anticipated Project schedule is noted below:

Commission Approval to Advertise	November 10, 2015
Advertise for Bids	November, 2015
Commission Approval of Award of Contract	January, 2016
Substantial Completion	July, 2016
Final Completion	September, 2016

Summary

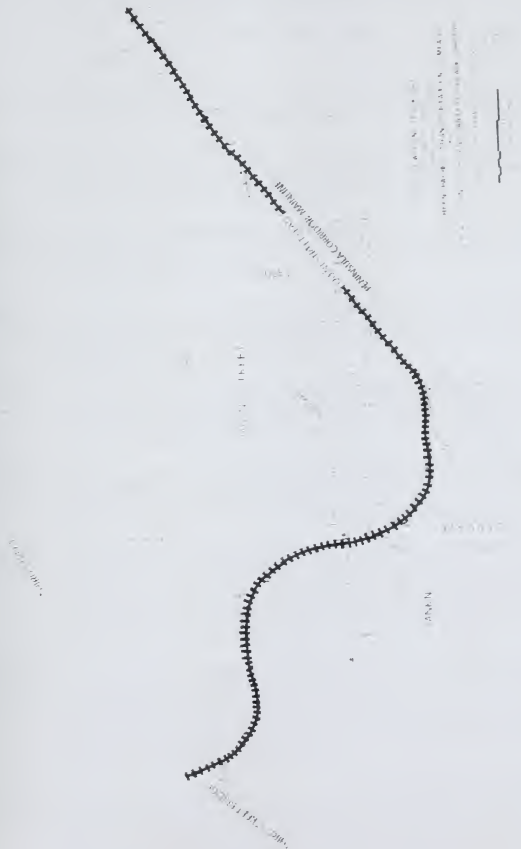
Port staff is prepared to seek competitive bids for this project and therefore respectfully asks the Port Commission for authorization to advertise for competitive bids for Construction Contract No. 2764, Quint Street Lead Reconstruction Project

Prepared by:	Steven Reel Project Manager, Engineering
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For:	Eunejune Kim Chief Harbor Engineer
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EXHIBITS:
Exhibit A – Project Map

Exhibit A – Project Map



**PORT COMMISSION
CITY AND COUNTY OF SAN FRANCISCO**

RESOLUTION NO. 15-40

- WHEREAS, Port staff seeks authorization to solicit competitive bids for construction Contract No. 2764, Quint Street Lead Reconstruction Project (Project); and
- WHEREAS, The Quint Street Lead (Lead) is an approximately nine-tenths of a mile long freight rail spur track connecting the Peninsula Corridor Main Line with the Port of San Francisco cargo terminals and rail yard; and
- WHEREAS, the Lead is jointly owned by Union Pacific Railroad Company (UP) and BNSF Railway Company (BNSF) and is solely used by UP to provide freight rail service to the Port; and
- WHEREAS, freight rail service is essential for the Port's maritime business and the current condition of the Lead limits the size of trains and efficiency of rail operations that serve the Port; and
- WHEREAS, the Port applied for and was awarded a Rail Line Relocation & Improvement Capital Grant (RLR) from the Federal Railroad Administration (FRA) to improve the efficiency and capacity of the Lead; and
- WHEREAS, the RLR Grant provides funding of up to \$2,970,000 with at least a ten percent match in non-federal monies (minimum of 10% of total project costs) and requires the grantee to execute the work; and
- WHEREAS, the Project will improve freight rail efficiency and capacity on the Lead by replacing and upgrading approximately 0.6 miles of track (from just north of Jerrold Avenue to just west of Third Street), repairing deteriorated street paving adjacent to the track (Rankin Street, Evans Avenue crossing, and Quint Street), and improving striping where the track runs in the street; and
- WHEREAS, The San Francisco Planning Department issued a Categorical Exemption for the Project on April 11, 2013 in compliance with the California Environmental Quality Act (CEQA) and the FRA issued a Categorical Exclusion for the Project on March 26, 2014 under the National Environmental Policy Act (NEPA); and
- WHEREAS, The Port Commission approved a Use of Track Agreement, which grants the Port of San Francisco the right to access and use the UP/BNSF-owned track for the purpose of reconstructing the existing Quint Street Lead track (Resolution 14-23), and the approval constituted the CEQA Approval Action under San Francisco Administrative Code Chapter 31; and

WHEREAS, the engineer's construction cost estimate is \$3,700,000 with a 10% contingency of \$370,000, for a total estimated cost of \$4,070,000; and

WHEREAS, the estimated Project cost, including 10% contingency, is fully funded by the FRA grant and Port Capital funds; and

WHEREAS, San Francisco Contract Monitoring Division staff reviewed the Project's scope of work and set a 20% Small Business Enterprise (SBE) goal; now, therefore be it

RESOLVED, that the Port Commission hereby authorizes Port staff to advertise for and accept competitive bids for Contract No. 2764, Quint Street Lead Reconstruction Project.

I hereby certify that the foregoing resolution was adopted by the San Francisco Port Commission at its meeting of November 10, 2015.

Secretary



MEMORANDUM

November 5, 2015

TO: MEMBERS, PORT COMMISSION
Hon. Leslie Katz, President
Hon. Willie Adams, Vice President
Hon. Kimberly Brandon
Hon. Doreen Woo Ho

FROM: Monique Moyer *M Moyer*
Executive Director

SUBJECT: Informational presentation on the San Francisco Public Works' department request for proposals for public toilets and advertising kiosks

DIRECTOR'S RECOMMENDATION: Information Only

Executive Summary

The San Francisco Public Works department with the Port of San Francisco entered into a 20-year agreement in 1997 with the JC Decaux company to provide and install public toilets and service kiosks on public property, including Port property, in exchange for the right to sell advertising on these structures. This contract will expire in January 2017. The Public Works department recently issued a request for proposals to replace the contract and provide a similar service.

On November 10, 2015 San Francisco Public Works staff will present details of the request for proposals to the Port Commission and also explain how the proposed changes will affect the Port.

Background

The City, Port and JC Decaux entered into a trial agreement on August 2, 1994 to provide public toilets in exchange for the right to place public service kiosks on public property and sell advertising, subject to the terms and conditions of the Agreement. The trial phase was successfully implemented and as a result, Ordinance 354-98, File 98-1599, approving the First Amended and Restated Public Toilet and Public Service Kiosk Agreement between the City and JC Decaux was passed by the Board of Supervisors on December 7, 1998.

THIS PRINT COVERS CALENDAR ITEM NO. 11A

The contract allowed JC Decaux to install and maintain 27 automatic public toilets (PT) and 114 public service kiosks (PSKs) within public rights-of-way beginning January 17, 1997 and ending in January, 2017. Currently there are 4 public toilets and 9 public service kiosks with advertising panels on Port property (see Attachment A for locations).

The contract required that the City would receive an annual base payment of \$25,000 adjusted for CPI and an additional advertising fee ranging between 2% and 7% of JC Decaux's advertising revenue, dependent on the threshold of advertising accrued by JC Decaux. The Port received \$32,652 in revenue from this contract in 2014, with the Port's payment based on a pro-rata share of the public service kiosks on Port property.

The contract requires quarterly maintenance logs that identify quality of life issues, maintenance challenges, and usage reports. The reports show that there is a great need for public toilets in the City and that there are social and vandalism problems that occur within and around the structures.

Current Request for Proposals

On October 13, 2015 the San Francisco Public Works department issued a new request for proposals (RFP) to replace the current JC Decaux contract upon its expiration. The proposed scope in the RFP benefits from the experience of the current contract.

The RFP defines a public toilet as "a free standing enclosure containing a toilet, display advertising and available for use by the general public". A public service kiosk is defined as "a free standing kiosk which can display advertising, and may provide access to public services such as public art, a newsstand, display of map or local information, telephone booth, recycling bin, automatic teller machine (ATM), vending machine, interactive video system, internet, broadcast, or other service authorized by the City."

The RFP proposes the following changes from the existing contract:

- There are currently 25 public toilets in place under the existing JC Decaux contract. The RFP assumes that the new contract would place PTs and PSKs in the existing locations, and add 25 more toilets in locations not yet identified by the City. Some of these locations could be on Port property, and would require future environmental review and approval by the Port Commission;
- The public toilets currently allow 20 minutes per use, which has resulted in drug use and other illegal activities in some toilets conducted during this generous time allotment and within the private confines of the toilet. The RFP calls for approximately 5 minutes per use;
- Currently the toilets are available 24/7. The RFP requests that the proposer specify hours of operation, subject to approval by the City, and otherwise be locked to prevent use for unintended purposes;
- The RFP calls for at least 50% of the toilets to be staffed at the contractor's expense for 12 hours per day with a minimum of 1 staff person per toilet. Staffing is not part of the existing contract;
- The RFP asks for a variety of amenities:
 - each toilet and kiosk accommodate provision of the City's Wi-Fi service for use in that area;

- the facilities should provide the City an opportunity to display information and, in the event of an emergency, to override advertising;
- toilets are to be illuminated internally and in the adjacent spaces;
- toilets are to provide a hand washing station with warm soapy water followed by warm rinse water; and
- toilets are to have internal heating and ventilation, a smoke and fire alarm system linked to an automatic door-opening device, and an emergency access portal in addition to the user door;
- Proposers are encouraged to include: interactive features such as touch screens for wayfinding and remote transactions with the City and other businesses; environmentally responsive design; and a unique contemporary design for San Francisco;
- Revenue: Proposers shall submit a minimum annual guarantee amount and a percentage of gross advertising revenues to be paid each contract year during the term of the contract. The Port anticipates sharing in the revenue based on a pro-rata share of toilets and kiosks on Port property.

Evaluation & Selection Process

Public Works may choose to contract with one or more contractors based on the highest scoring proposals. Proposers will be required to meet minimum requirements for experience in advertising and street furniture and have a corporate net worth of at least \$50 million. Revenue criterion will constitute 65% of the overall evaluation and non-cost criterion will constitute 35%. Revenue points will be based on the proposer's minimum annual guarantee to the City. The 35% non-cost criterion include organization and management approach (5%), maintenance and monitoring plan (10%), design (10%), communications (5%), and oral interview (5%).

The selection panel will be comprised of five members representing design, finance and public restroom expertise. The composition will include two representatives from San Francisco Public Works with design and finance expertise, one from San Francisco Planning Department with public restroom and design expertise, one from the Department of Communications, and one from the Port.

LBE Role/Opportunities

Public Works may require each proposer, including subcontractors, to hire a percentage of local residents, minorities and women for its workforce. The RFP also encourages proposers to make maximum utilization of local service agencies and suppliers that are small businesses, including minorities, women and disadvantaged businesses, in the performance of work under the contract.

Climate Action

Proposers are encouraged to use "green" technology in the construction of the toilets and kiosks. Proposers are also required to submit a plan for maximizing the use of green cleaning products as specified by the US Green Building Council LEED standards.

Schedule & Future Port Commission Action

Proposals are due on November 20, 2015 to San Francisco Public Works. Following proposal evaluation and scoring, Public Works will return to the Port Commission for approval of location of any additional public toilets on Port property and other key terms of the contract relating to facilities on Port property. Following Port commission action and necessary City approvals, the contract will be subject to Board of Supervisors approval.

Prepared by: Dan Hodapp, Senior Waterfront Planner

For: Byron Rhett, Deputy Director
Planning & Development

Attachments:

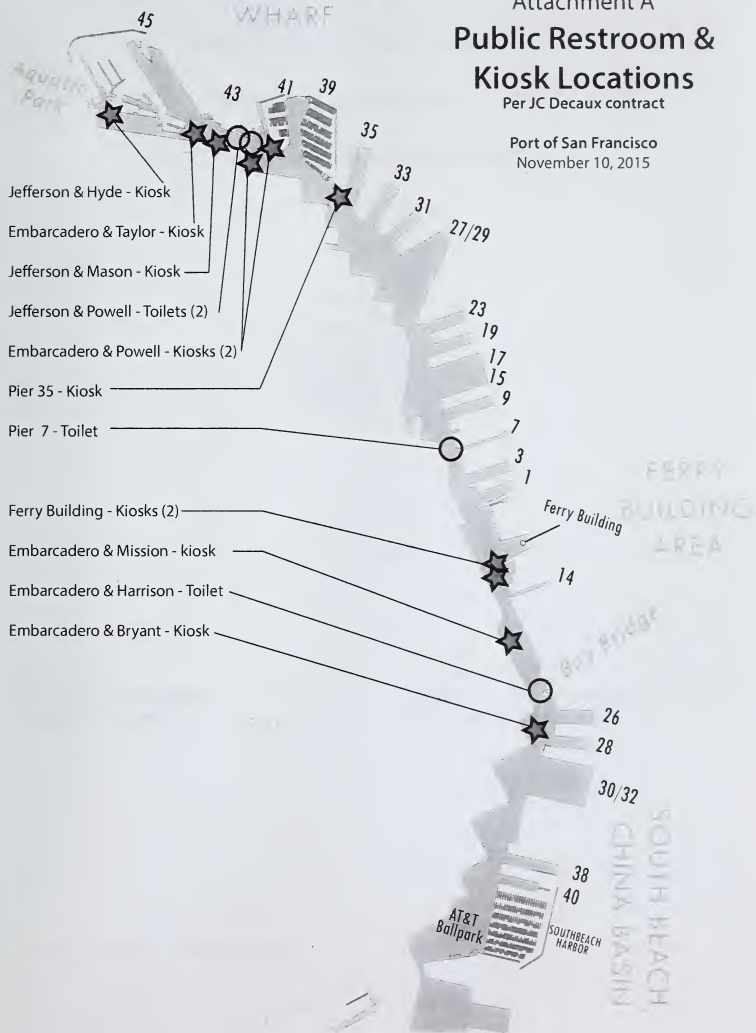
- A. Location map of JC Decaux public toilets and public service kiosks currently on Port property
- B. Request for Proposals for Public Toilet and Kiosk Agreement (without appendices)

FISHERMAN'S WHARF

Attachment A Public Restroom & Kiosk Locations

Per JC Decaux contract

Port of San Francisco
November 10, 2015



Jefferson & Hyde - Kiosk

Embarcadero & Taylor - Kiosk

Jefferson & Mason - Kiosk

Jefferson & Powell - Toilets (2)

Embarcadero & Powell - Kiosks (2)

Pier 35 - Kiosk

Pier 7 - Toilet

Ferry Building - Kiosks (2)

Embarcadero & Mission - kiosk

Embarcadero & Harrison - Toilet

Embarcadero & Bryant - Kiosk

Ferry Building

AT&T Ballpark

SOUTH BEACH HARBOR

Attachment B

City and County of San Francisco

Request for Proposals for

PUBLIC TOILET AND KIOSK AGREEMENT



RFP Issued:

October 13, 2015

Pre-proposal Conference:

October 26, 2015 at 1:00 p.m.

Deadline for Submission:

November 20, 2015 by 4:00 p.m.

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REQUEST FOR PROPOSALS FOR PUBLIC TOILET AND KIOSK AGREEMENT

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General terms used in this Request for Proposals ("RFP") are defined as follows:

Proposer refers to any respondent or contractor awarded a contract for services under this RFQ.

Contract Monitoring Division (CMD) refers to the oversight agency for the Local Business Enterprise Ordinance set forth in Chapter 14B of the San Francisco Administrative Code (the former San Francisco Human Rights Commission).

Respondent refers to any firm or business entity that submits a timely response to this RFP. A Respondent may consist of a Prime Consultant or Prime Contractor who will serve as the prime contractor, if selected by the City for contract award, and any associated Sub-consultants.

Response refers to timely bids submitted for this RFP.

PSK refers to Public Service Kiosks installed in the public right-of-way.

PT refers to Public Toilets installed in the public right-of-way.

Firm refers to any business, sole proprietorship, partnership, or corporation.

Contractor refers to any respondent or contractor awarded a contract for services under this RFQ.

MAG refers to a Minimum Annual Guaranteed base amount paid to the City by the Proposer each year during the term of the contract.

Dismounted refers to existing toilets and/or kiosks temporarily removed or disabled due to construction

REQUEST FOR PROPOSALS (RFP) FOR PUBLIC TOILET AND KIOSK AGREEMENT

I. INTRODUCTION

The City and County of San Francisco (City), acting through San Francisco Public Works (Public Works), invites all qualified firms to submit Proposals for a Public Toilet and Public Service Kiosk Agreement (Agreement) for the installation, operation, and maintenance of public toilets ("PT") and public service kiosks ("PSK") on public property.

The City intends to award one or more contract(s) with an original term of ten (10) years. In addition, the City shall have two (2) options to extend the term for a period of five (5) years each, which the City may exercise in its sole, absolute discretion. At the end of the contract term the City, upon review of the existing PTs and PSKs, may request the transfer of ownership of the infrastructure to the successor Proposer. However, the City may request removal of each PT or PSK and restoration of the public right-of-way by the Proposer at Proposer's cost.

The Proposer shall agree to provide staffed Public Toilets and Public Service Kiosks in exchange for the right to occupy and use public property and the right to place advertising on Public Toilets and Public Service Kiosks. A Public Toilet is a free standing enclosure containing a toilet, display advertising, and available for use by the general public. A Public Service Kiosk (PSK) means a free standing kiosk which can display advertising, and may provide access to public services such as public art, a newsstand, display of map or local information, telephone booth, recycling bin, Automatic Teller Machine (ATM), vending machine, interactive video system, internet, broadcast, or other service authorized by the City. The contractor will be responsible for staffing, designing, obtaining approvals for and constructing PTs and PSKs, relocating them as necessary, and maintaining as stated in this RFP.

II. TENTATIVE SCHEDULE

The tentative schedule for this contract is listed below. Public Works reserves the right to change the schedule at any time.

Advertise RFP	October 13, 2015
Pre-Proposal Conference	October 26, 2015
Last Day for Submission of Written Questions	November 13, 2015
Proposals Due	November 20, 2015
Interview Short-Listed Firms	December 4, 2015
Negotiations with Selected Firm	December 2015
Port Commission Approval	December 2015
Recreation and Park Commission Approval	December 2015
Other relevant agency approval-Art Commission/MTA	January 2016
Board of Supervisors Approval	February 2016

III. SCOPE OF SERVICES

The Scope of Services is to be used as a general guide and is not intended to be a complete list of all work necessary to complete the project. The following are work tasks the Proposer shall at minimum be responsible for providing:

A. Public Toilet and Public Service Kiosk Locations

1. Proposer will be required to design and install a minimum number of twenty-five (25) PTs and a minimum of one hundred and fourteen (114) PSKs at the existing locations. A list of the existing PT and PSK locations is included in Appendix 4. Proposer will be required to install an additional 25 PTs at new locations to be determined by the City. In advance of installation, the City shall review each location drawing, inspect each site, and hold public hearings. Where any PT is required to be installed on Port property, Proposer shall submit location drawings to the Port's Chief Harbor Engineer, together with the appropriate encroachment permit fee, and the Port shall, as required or as necessary, review such drawings, conduct inspections and hold public hearings. Installation procedures and guidelines may be modified periodically by the City.
2. Contractor shall agree to provide PTs and PSKs, including all costs involved in the installation, maintenance, permits, and staffing in exchange for the right to occupy and use public property and the right to place advertising on PTs and PSKs.

B. Public Toilet and Public Service Kiosk Design

1. Proposer shall design new PTs and PSKs, each PT and PSK shall serve as a free public wifi "hotspot" for internet access. To the maximum extent possible, all components of the PTs and PSKs must be fabricated of high quality, durable and graffiti-resistant materials. Proposer shall provide in its design adequate illumination of the PTs and PSKs and their adjacent rights-of-way. The proposer shall be responsible for obtaining all regulatory permits required for the installation of the PTs and PSKs.
2. Each PT must be accessible to persons with disabilities and must contain a commode; a hand-washing station that provides warm soapy water followed by warm rinse water; toilet tissue and seat cover dispensers; and a paper-towel dispenser or air-drier. Heating, ventilation and lighting systems, including emergency lighting, must be provided. PTs must provide external indicators informing potential users of when the unit is being used, and when the unit is available for use. All PTs must provide smoke and fire alarm system linked to an automatic door-opening device. An emergency access portal, in addition to the user door, must be provided to allow access to the interior by police or other emergency services.
3. Designs shall comply with all applicable federal, state and local laws and regulations, including but not limited to: applicable provisions of the Uniform Fair Accessibility Standards (UFAS); the Americans with Disabilities Act, (ADA) (42 U.S.C. section 12101 et seq.); the Americans with Disabilities Act Accessibility Guidelines (See 28 CFR, Part

36); Title 24 of the California Code of Regulations, Part 2; the California State Accessibility Standards Interpretive Manuals. In the event of conflict between applicable laws and regulations, the more restrictive shall apply.

Proposer shall consider the following design elements:

Aesthetics

- Design should reflect San Francisco's national leadership in design quality.
- Strongly recommend contemporary design.
- Also consider creating unique font for San Francisco.
- Strongly recommend three-dimensional design to minimize a pure advertising character.
- Limit the number of interactive advertising screens.
- Advertising panels should be static, not LEDs, in the majority of cases and include wayfinding.
- PT doors should open parallel to street, not toward primary pedestrian travel zone.
- Use of natural materials to implement concepts such as green roofs and other elements that integrate nature.
- Use of modular components that would be able to adapt to the varied neighborhoods of San Francisco.
- Use of Green technology, including durable building materials, recycled-content and sustainable building products, and renewable energy; see City Department of the Environment policies that are posted at www.sfenvironment.org.

C. Public Toilet and Public Service Kiosk Installation

1. Proposer shall install PTs and PSKs in locations specified in Appendix 4, in accordance with all applicable City Charter, Codes, Ordinances and regulations, and all state, local, and federal laws affecting installation, including but not limited to local and state planning, public works, electrical, plumbing and other applicable codes. Any contractors or subcontractors employed by Proposer shall be required to obtain all necessary permits, be licensed, insured, bonded, and have the City added as additional insured on their insurance as required by the City. After the installation or removal of any PT, Proposer shall at its own expense restore the public right-of-way immediately under and adjacent to the PT to its proper condition.
2. During the term of the Agreement, the City may direct Proposer to remove, replace, and relocate PSKs and/or PTs as necessary to accommodate changing needs or to address security concerns. The Contractor, at the request of the City, shall be required to remove PSKs or PTs which interfere with the construction, maintenance, or repair of public utilities, public works or public improvements, or which the City otherwise determines to be inappropriate at a particular location. At the request of the City, PTs so removed shall be reinstalled when construction, maintenance, or repairs are completed, or shall be relocated to a site approved by the City. Up to five (5) removals or relocations of PSKs and PTs per year shall be performed at the sole expense of

Contractor. Any additional removals beyond the five (5) per year shall be paid for by the City at the unit price as bid at the time of proposal.

D. Maintenance

1. Proposer shall clean all PTs at least daily and as frequently as needed or when requested to by the City, including removal of litter, cleanup of broken glass in and in vicinity of PT, and cordon off any hazardous or area or condition. Proposer shall remove graffiti and repaint within 24 hours of notification by the City, using custom colors, as needed. Proposer shall maintain video surveillance and other communications systems in a graffiti-free and working condition at all times.
2. Proposer shall provide portable garbage receptacles including but not limited to syringe disposal stations and dog waste containers. Proposer shall remove, empty, sterilize, and return receptacles for re-use during non-operating hours. Proposer is required to maintain all of their installed street furniture in a clean, graffiti-free, safe, and first-class condition. Proposer shall inspect each PT at least once per calendar day. Proposer shall steam clean the exteriors and surrounding areas within ten (10) feet of PTs as needed. The foregoing is a minimum standard, and Proposer acknowledges that multiple inspections and/or cleanings per day may be required, and such additional inspections and cleanings shall be performed by Proposer as directed by the City.
3. Replacement of damaged components must commence immediately upon notification to Proposer by the City, and be completed within 24 hours of notice. Damage includes nonfunctioning bulbs and/or light fixtures, vandalism, acts of God or of the public enemy, fires, floods, riots, strikes, civil disobedience, criminal acts of third parties, freight embargoes, and unusually severe weather. Damage and willful malicious destruction of a PT or any part thereof caused by a party other than Proposer or City shall be the responsibility of the Proposer. Proposer's assumption of risk is part of the consideration for this RFP.

E. Communications

1. Wi-Fi – Each PT and PSK with advertising on it must also support the provision of the City's Wi-Fi ("wireless fidelity", IEEE 802.11 a/b/g/n/ac and current standard) service. Proposers must explain either (a) how they will allow the City to use the PT and PSKs to install service or (b) how they would install WiFi equipment according to the City's specification.
2. Public Information—Proposers must provide the City an opportunity to display information and, in the event of an emergency, to override advertising.
3. Interactive Features—Proposers are encouraged to include interactive features, such as touch screens, that would facilitate wayfinding and remote transactions with the City and other business transactions.

4. Additional Telecommunications Related Features--Proposers are encouraged to include additional telecommunication related services in their proposals. These services may include cell phone charging stations, options for users who are deaf or hearing impaired, and any other service. (Providers may use the PT and PSKs to provide for cellular voice and data service providers as long as it acts as a neutral host that can accommodate licensed carriers. Revenues generated by this service will be considered.)
5. Flexibility--Proposers are also encouraged to design the PT and PSKs in a way that allows components to be added in the future and existing components to be replaced. This flexibility would allow new technology to be incorporated into PT and PSKs during the term of the contract, which will include an approval process for additions.

F. Monitoring Services and Operations

1. Proposer will staff PTs during hours of operation. At least 50% of the total number of toilets shall be staffed for 12 hours per day with a minimum of 1 staff person per toilet. Staffing can be in rotating shifts. The allotted time per customer at a PT should be approximately 5 minutes per use. Additional staff can move around to the remaining 50% of the toilets as needed. The City will determine the locations that are to be staffed regularly. PTs will remain securely locked during non-operating hours to prevent unauthorized entry, acts of vandalism, and criminal activity. Proposer will specify proposed hours of operation in the RFP response; operating hours are subject to review/approval by the City. The exterior of the PTs shall be illuminated after dusk to minimize illicit activity in the immediate area.
2. Relocating PTs and PSKs as necessary is at the discretion of the City. In addition, the City may elect to negotiate additional options including relocating or moving PTs & PSKs to other locations for various reasons beyond the five (5) per year, or adding other design features or services as suggested by the City or the Proposer.
3. The Proposer must create and maintain an Internet-based Inventory, Maintenance and Complaint Database System and must log in this system all required data on PT and PSK inventory, maintenance activities, and condition complaints and reports. This database must also provide current permit information, a list of locations and map of all street furniture installed by Proposer and be accessible to the City electronically.

G. Advertising

1. The Proposer may use PSKs and PTs for general advertising as negotiated in the contract. There shall not be any increase the amount of advertising on PSKs and PTs from existing amounts consistent with the Planning Code sec. 611, and voter-passed propositions G (2002) and E (2009). All general advertising signs shall be compliant with all applicable codes and requirements.

H. Revenue Proposal

1. All Proposers must propose a Minimum Annual Guarantee (MAG) amount and a percentage of gross advertising revenues to be paid each contract year during the term of the contract to the City. Any proposal that does not propose a MAG will be deemed non-responsive. Gross revenues shall not be subject to any deductions for commissions, brokerage, labor charges or other expenses.
2. Proposer will be subject to liquidated damages for non-compliance with contract requirements as negotiated. This scope of work is a general guide and is not intended to be a complete list of all work required under the contract.

IV. FORMAT

Proposals shall be clear, concise and complete. Partial or complete omission of any required element of the proposal will disqualify the proposal as non-responsive. The proposal shall total no more than 20 pages, double-sided. All pages shall be 8-1/2" x 11", minimum size 10 font, unless otherwise noted in this RFP. Documents requested in subsections along with team members' references, resumes and other reference materials shall be placed in an appendix and will not be counted as part of the 20-page limit. Proposers shall place PSK and PT designs and photos in a separate appendix. Design documents may not exceed 11" x 14". All documents submitted shall be bound in a binder with each section separated by tabbed dividers. Tabbed dividers shall be used to separate distinct documents attached as appendices. One original and 9 copies of each proposal must be included with each submittal. All documents submitted in response to this RFP must be on recycled paper and printed on double-sided pages to the maximum extent possible unless otherwise required herein. Two digital copies of the proposal should be submitted on USB sticks.

A. Content

Firms interested in responding to this RFP must submit the following information:

1. Introduction and Executive Summary--submit a letter of introduction and executive summary of the proposal. The letter must be signed by a person authorized by your firm to obligate your firm to perform the commitments contained in the proposal. Submission of the letter will constitute a representation by your firm that your firm is willing and able to perform the commitments contained in the proposal.
2. Experience and Qualifications--Provide the full name, address, and phone number, phone number of the contact person at the prime firm, and any subcontractors of the contractor's team. For all firms named in the proposal, provide the type of ownership, number of years each firm has been in business under the present business name (and any other prior names), and the number of years of experience managing the construction and maintenance of street furniture and the sale and display of advertising services, or the work for which the firm is listed in the proposal. Include a description of the qualifications and experience, especially as they relate to the services sought in this RFP.
3. For the prime Proposer, list all contracts you have had during the last three years for services similar to those described in this RFP. For each contract, identify the agency

provide the names of individuals and telephone numbers of contacts at the agency, specify the term (years) of the contract, and the type of services provided under the contract. These agencies may be contacted as business references.

4. For the prime Proposer and key subcontractors (if applicable), name the key personnel who will have responsibilities for the services proposed. Identify the individual who will be the Public Works single point of contact for this project and who will direct, coordinate, and control the contract (Contract Manager). Also designate a separate Operations/Maintenance Manager. For each of the key personnel, specify his or her experience and qualifications, proposed project role, years with your firm, and years of experience in their assigned area of this project. Include a written assurance that the key individuals listed performing the work will not be substituted with other personnel or reassigned to another project without the City's prior approval.
5. Attach brief resumes of key personnel assigned to this project for each firm listed.
6. Specify whether the Contractor (or any predecessor in interest) and if a joint venture, its members, or if a partnership, its general partners has/have been involved in any litigation involving any contract for street furniture advertising or maintenance services. Describe the nature of the litigation, the parties and the outcome (judgment, settlement, etc.).

Specify whether a public agency or municipality has ever terminated the Proposer (or any predecessor in interest) and if a joint venture, its members, or if a partnership, its general partners from any contract for street furniture advertising or maintenance services. State the terminating agency, the date of the contract and termination, and describe the nature of such termination (for cause, for convenience).

B. Organization and Management Approach

1. Provide an organization chart naming all key personnel participating in the project. Identify the Contract Manager, the Operations/Maintenance Manager, the Sales Manager, and the Chief Financial Officer. Describe how each of these personnel will be managed and staffed. Identify the relationships between the prime contractor and subcontractors (if applicable). Describe how the proposed organization will optimally provide the services requested in the RFP.
2. Present a work plan for addressing the requirements of this contract, including:
Installation of PTs and PSKs;
Maintenance and repair of PTs, kiosks, and advertising displays. Creation and maintenance of an Internet-based Inventory, Maintenance and Complaint Database System is required.
3. Present a 52-week annual maintenance plan, including:
 - Schedule of inspections for structural integrity (footing, seams, welds, loose bolts, bent/broken frame, leaning structure), and other maintenance and repair issues (e.g., roof leaks, light bulbs, etched/broken glass, malfunctioning toilets).
 - Cleaning schedule and routine, including graffiti removal and removal of paint, markers, stickers, unauthorized posters, restocking toilet paper, air freshener, soap, paper towels, seat covers, dog waster bags, etc.

- Plan for minimizing use of maintenance products that contain hazardous materials and maximizing the use of green cleaning products as specified by the Green Building council LEED standard EQc3.4 or other verifiable standard.
 - Present details of how your firm will staff and manage a quality assurance and control program, including oversight of subcontractors and vendors.
 - A time line showing elapsed time for advertisement posting, installation, inspection, removal.
4. Commitment to local hiring: Public Works may require each Proposer, including subcontractors, to hire a percentage of local residents, minorities and women for its workforce as negotiated in the contract. Public Works also requests copies of the Contractor's and sub-contractors policies and procedures regarding any non-discrimination or equal employment opportunity plans that Proposers have in place. Additionally, Public Works encourages Proposers to submit proposals that make maximum utilization of local service agencies and suppliers that are small businesses, including minorities, women and disadvantaged businesses, in the performance of work under the contract.

C. Design of PTs and PSKs

Submit proposed PTs and PSKs designs incorporating the design elements listed in the Section III Scope of Services above. Submit photos or renderings of PTs and PSKs designed for other public agencies, including those designed for areas with narrow sidewalks, hills, or other areas of unusual topography or site restrictions.

D. Communications

Submit your proposal for supporting communication, including:

1. Proposal for accommodating municipal WiFi.
2. Proposal for providing public information.
3. Proposal for interactive features, including remote City services.
4. Describe how CMRS will be accommodated, if applicable.
5. Phone charging stations.

E. Compensation Proposal

All Proposers must propose the Minimum Annual Guarantee (MAG) amount and a percentage of gross revenues as listed in the SCOPE OF SERVICES above. All Proposers must complete the proposal summary cost table form found in Appendix 2.

F. Other Required Documents and Forms (Refer to Appendix 5)

1. In addition to the requirements on the content of the proposal discussed above, firms to be considered for this contract must submit the following as part of the appendices to their proposals. Both the prime Proposer and subcontractors (if applicable) must submit items listed below:

- Business Tax Declaration
- San Francisco Administrative Code Chapter 12B Compliance Certification Form
- Certification of Bidder Regarding Debarment and Suspension
- Certification of Subcontractor Regarding Debarment and Suspension Form
- Certificate of Bidder Regarding Apprenticeship Training Program
- Certificate of Subcontractor Regarding Apprenticeship Training Program
- Minimum Compensation Ordinance Declaration Form
- Health Care Accountability Ordinance Form

V. SUBMISSION REQUIREMENTS

A. Time and Place for Submission of Proposals

Proposals must be received by **4:00 p.m. on November 20, 2015**. Postmarks will not qualify as delivery and Proposals submitted by fax or in electronic format will not be accepted. Late submissions will not be considered. Proposals may be delivered or mailed to:

San Francisco Public Works
Contract Administration Division
1155 Market St 4th Floor
San Francisco, CA 94103
Attention: Stacey Camillo

Proposer must submit one (1) Original and nine (9) Hard copies and two (2) digital copies on USB sticks of the proposal in a sealed envelope clearly marked "PUBLIC TOILET AND KIOSK AGREEMENT" to the above location.

VI. EVALUATION AND SELECTION PROCESS

A. Minimum Qualifications

Responsive proposals must document the Proposer's compliance with the following minimum qualifications:

Proposer, its key management team, and each of its subcontractors (if applicable) must have at least three years verifiable experience in selling, advertising, building and maintaining street furniture in major metropolitan markets. Proposer must have had a corporate net worth of at least \$50,000,000 for the last three years.

The Proposer must demonstrate its financial stability by submitting the following:

1. A written commitment to provide a letter of credit in the amount of two million dollars (\$2,000,000).
2. Three bank references that will validate the prime firm's financial responsibility, including the name and phone number of a bank officer familiar with the firm's account.
3. Copies of financial statements from the last three years, with profit and loss statements broken down in detail for major media markets in the United States; and

4. A written commitment to provide a performance bond of ten million dollars (\$10,000,000) for the installation of the PSKs and PTs.

B. Selection Process

1. Bid Completeness Screening: Proposals that do not meet minimum submittal or content requirements of this RFP, or take exceptions to the RFP requirements, may be rejected.
2. Revenue Screening: The revenue criterion will constitute 65% of the overall evaluation.
3. Non-Cost Screening: The non-cost criterion will constitute 35% of the overall evaluation, and will be determined based on the written material submitted.

Special Note: If the City opts to select more than one bidder, the City contract will be awarded to those highest scoring respondents.

C. Bid Award

Failure by the respondent to obtain compliance with City requirements and execute an Agreement within seven (7) days of the date of the DPW authorization to execute the Agreement may result in the Director's executing an Agreement with the next highest ranked respondent. Pursuant to Charter Section 3.105, all contract awards are subject to certification by the Controller as to the availability of funds.

An Evaluation Committee will evaluate the proposals, using the Evaluation Criteria outlined in this RFP. All Proposers will be invited to make a presentation and participate in an oral interview that will include detailed discussions of the various elements of their proposals. Public Works will provide directions on presentation materials and information for the oral interview. Individuals who will actually be assigned to the project shall make presentations at the oral interview. Firms may be required to submit additional information to clarify their proposals prior to or at the interview.

Public Works intends to negotiate a contract with the Proposer/s with the highest total score. If Public Works is unable to negotiate a contract with the highest-ranked Proposer in a reasonable time, Public Works in its sole discretion may terminate negotiations with the highest-ranked Proposer and begin contract negotiations with the next highest-ranked Proposer. The final Agreement will be subject to approval be approved by Public Works, Port Commission, other relevant agencies, and the San Francisco Board of Supervisors.

Public Works reserves the right to not negotiate with firms and to select the highest-ranked Proposer and its proposal as submitted.

The evaluation process will consist of the following phases: *Initial Screening*, *Written Proposal Evaluation*, and *Oral Interviews*.

Initial Screening: All submittals will be reviewed for initial determination on responsiveness and responsibility. Elements reviewed during the initial screening include, without limitation, proposal completeness, compliance with minimum essential qualifications, and verification of references.

Proposals found to be responsive and submitted by responsible Proposers based upon the initial screening shall proceed to the Written Proposal Evaluation process, as described below.

Written Proposal Evaluation: The proposals will be evaluated by a Evaluation Committee comprised of City representatives, parties with expertise in civic design, and public facilities maintenance. The Evaluation Committee may also include representatives of other agencies, persons with expertise in the technical aspects of PT and PSK designs, and persons knowledgeable about advertising. The City intends to evaluate the proposals generally in accordance with the criteria listed below and as provided by Appendix 3.

The Evaluation Committee will review and score written proposals using the following point scale:

Evaluation Criteria	Total Points
Revenue Proposal	65
Organization and Management Approach	5
Maintenance and Monitoring Plan	10
Design	10
Communications	5
Oral Interview	5
TOTAL	100

Formula for Revenue Proposal Points:

Highest MAG = A

Formula for each Firm's Score = $B/A * 75$

Each Firm's MAG = B

Sample:

Firm X = \$1M (highest) = $1,000,000/1,000,000 * 75 = 75$ points

Firm Y = \$925,000 = $925,000/1,000,000 * 75 = 69.38$ points

Firm Z = \$880,000 = $880,000/1,000,000 * 75 = 66.00$ points

The top five (5) firms with the highest scoring proposals will be interviewed by the Committee to make the final selection.

Oral Interviews

1. The interview process will consist of a presentation followed by standardized interview questions from the Evaluation Committee, and may include follow up questions if clarification of a Proposer's response is necessary.
2. The presentation shall demonstrate the components and other features of your proposed designs, including maintainability, durability, and adaptability to City topographical and other conditions.

3. The Evaluation Committee will proceed to evaluate each firm independently based on each of the firm's presentation and responses to the Evaluation Committee's questions.
4. The oral interview room may provide overhead projection equipment.

VII. CONTRACT AWARD

Public Works staff will commence contract negotiations with the highest-ranked Proposer. The selection of any proposal shall not imply acceptance by the City of all terms of the proposal, including compensation, which may be subject to further negotiation and approvals. If a satisfactory contract cannot be negotiated in a reasonable time Public Works, in its sole discretion, may terminate negotiations with the highest ranked Proposer and begin contract negotiations with the next highest ranked Proposer.

No proposal may be accepted and no contract may be awarded until such time as the Public Works Director recommends the Agreement for award and the final contract must also be approved by the Port Commission, other relevant agencies, and the San Francisco Board of Supervisors.

VIII. ERRORS AND OMISSIONS IN RFP

Proposers are responsible for reviewing all portions of this RFP. Proposers are to promptly notify Public Works, in writing, if the Proposer discovers any ambiguity, discrepancy, omission, or other errors in the RFP. Any such notification should be directed to Public Works promptly after discovery, but in no event later than 10 calendar days prior to the date for receipt of proposals. Modifications and clarifications will be made by addenda as provided below.

Severability: If any provisions of this RFP is declared by a court to be illegal or in conflict with any law, the validity of the remaining terms and provisions will not be affected; and, the rights and obligations of the City and Proposer will be construed as enforced as if the RFP did not contain the particular provision held to be invalid.

IX. PRE-PROPOSAL CONFERENCE

A pre-proposal conference will be held on October 26, 2015 in the conference room at 1155 Market, 3rd Floor, from 1 P.M. – 3:00 PM, to discuss the requirements of the contract and to take questions concerning the RFP. All prospective Proposers are urged to attend this conference. A written list of attendees will be available at the end of the meeting.

X. QUESTIONS

Questions regarding this RFP should be addressed in writing to toiletandkioskrfp@sfdpw.org

The City will keep a record of all parties who request and receive copies of the RFP. Any requests for information concerning the RFP, whether submitted before or after the pre-proposal conference, must be in writing, and any substantive replies will be issued as written addenda to all parties who have requested and received a copy of the RFP from Public Works. Questions raised at the pre-proposal conference may be answered orally. If any substantive new information is provided in response to questions raised at the pre-proposal conference, it will also be memorialized in a written addendum to this RFP and will be distributed

to all parties that received a copy of the RFP. No questions or requests for interpretation will be accepted 5 days before the RFP due date.

XI. OBJECTIONS TO RFP TERMS

Should a Proposer object on any ground to any provision or legal requirement set forth in this RFP, the Proposer must, not more than 10 calendar days after the RFP is issued, provide written notice to Public Works setting forth with specificity the grounds for the objection. The failure of a Proposer to object in the manner set forth in this paragraph shall constitute a complete and irrevocable waiver of any such objection.

XII. ADDENDA TO RFP

Public Works may modify the RFP prior to the proposal due date by issuing written addenda. Addenda will be sent via regular, first class U.S. mail to the last known business address of each firm listed with Public Works as having received a copy of the RFP. Public Works will make reasonable efforts to notify Proposers in a timely manner of modifications to the RFP. Notwithstanding this provision, the Proposer shall be responsible for ensuring that its proposal reflects any and all addenda issued by Public Works prior to the proposal due date, regardless of when the proposal is submitted. Therefore, Public Works recommends that prior to submitting a proposal, Proposers call Public Works to determine if the Proposer has received all addenda.

XIII. REVISIONS TO PROPOSAL

A Proposer may revise a proposal at the Proposer's own discretion at any time before the deadline for submission of proposals. The Proposer must submit the revised proposal in the same manner as the original. A revised proposal must be received on or before the proposal due date.

In no case will a statement of intent to submit a revised proposal, or commencement of a revision process, extend the proposal due date for any Proposer.

At any time during the proposal evaluation process, Public Works may require a Proposer to provide oral or written clarification of its proposal. Public Works reserves the right to make an award without further clarification of proposals received.

XIV. TERM OF PROPOSAL

Submission of a proposal signifies that the Proposer's proposal remains open for one year from the proposal due date and that the proposal is genuine and not the result of collusion or any other anti-competitive activity.

XV. ERRORS AND OMISSIONS IN PROPOSAL

Failure by Public Works to object to an error, omission, or deviation in the proposal will in no way modify the RFP or excuse the Proposer from full compliance with the specifications of the RFP or any contract awarded pursuant to the RFP.

XVI. FINANCIAL RESPONSIBILITY

The City accepts no financial responsibility for any costs incurred by a firm in responding to this RFP. Submissions of the RFP will become the property of the City and may be used by the City in any way deemed appropriate.

XVII. CONTRACT REQUIREMENTS

Please see Appendix 6.

XVIII. FORM OF CONTRACT

The successful contractor will be required to enter into a contract with Public Works. Failure to timely execute the contract, or to furnish any and all insurance certificates and policy endorsements, surety bonds or other materials required in the contract, shall be deemed an abandonment of a contract offer. The City, in its sole discretion, may select another firm and may proceed against the original firm selected for liquidated damages.

XIX. SAN FRANCISCO BUSINESS TAX CERTIFICATE

San Francisco Ordinance No. 345-88 requires that, in order to receive an award, a firm located in San Francisco or doing business in San Francisco must have a current Business Tax Certificate. Since the work contemplated under the proposed Agreement will be performed in San Francisco, a San Francisco Business Tax Certificate will be required. The Business Tax Declaration must be completed and submitted with the proposal.

XX. PROTEST PROCEDURES

A. Protest of Non-Responsiveness Determination

Within five working days of the City's issuance of a notice of non-responsiveness, any firm that has submitted a proposal and believes that the City has incorrectly determined that its proposal is non-responsive may submit a written notice of protest. Such notice of protest must be received by the City on or before the fifth working day following the City's issuance of the notice of non-responsiveness. The notice of protest must include a written statement specifying in detail each and every one of the grounds asserted for the protest. The protest must be signed by an individual authorized to represent the Proposer, and must cite the law, rule, local ordinance, procedure or RFP provision on which the protest is based. In addition, the protestor must specify facts and evidence sufficient for the City to determine the validity of the protest.

B. Protest of Agreement Award

Within five working days of the City's issuance of a notice of intent to award the contract, any firm that has submitted a responsive proposal and believes that the City has incorrectly selected another Proposer for award may submit a written notice of protest. Such notice of protest must be received by the City on or before the fifth working day after the City's issuance of the notice of intent to award.

The notice of protest must include a written statement specifying in detail each and every one of the grounds asserted for the protest. The protest must be signed by an individual authorized to represent the Proposer, and must cite the law, rule, local ordinance, procedure or RFP provision on which the protest is based. In addition, the protestor must specify facts and evidence sufficient for the City to determine the validity of the protest.

C. Delivery of Protests

All protests must be received by the due date. If a protest is mailed, the protestor bears the risk of non-delivery within the deadlines specified herein. Protests should be transmitted by a means that will objectively establish the date the City received the protest. Protests or notice of protests made orally (e.g., by telephone) will not be considered. Protests must be delivered to:

San Francisco Public Works,
Contract Administration,
1155 Market Street 4th Floor,
San Francisco, California 94103
Attention: Stacey Camillo
RE: Public Toilet and Kiosk Agreement

XXI. RESOURCE CONSERVATION

All documents submitted in response to this RFP must be on recycled paper and printed on double-sided pages to the maximum extent possible unless otherwise required herein.

XXII. COMMUNICATIONS PRIOR TO CONTRACT AWARD

It is Public Works policy that only employees identified in the RFP as contacts for this competitive solicitation are authorized to respond to comments or inquiries from contractor or potential contractors seeking to influence the contractor selection process or the award of the contract. This prohibition extends from the date the RFP is issued until the date when the contractor selection is finally approved by Public Works, and the San Francisco Board of Supervisors.

All firms and subcontractor(s) responding to this RFP are hereby notified that they may not contact any Public Works staff member, other than a person with whom contact is expressly authorized by this RFP, for the purpose of influencing the contractor selection process or the award of the contract from the date the RFP is issued to the date when the contract award is approved by Public Works and the San Francisco Board of Supervisors. This prohibition does not apply to communications with Public Works staff members regarding normal City business not regarding or related to this RFP.

All firms and subcontractor(s) responding to this RFP are hereby notified that any written communications sent to one or more members of Public Works concerning a pending contract solicitation shall be distributed by Public Works to all its members and the designated staff contact person(s) identified in the RFP.

Except as expressly authorized in the RFP, where any person representing a Proposer or potential contractor contacts any Public Works staff for the purpose of influencing the content of the competitive

solicitation or the award of the contract between the date when the RFP is issued and the date when the final selection is approved by Public Works and the San Francisco Board of Supervisors, the Contractor or potential Contractor shall be disqualified from the selection process. However, a person who represents a Contractor or potential Contractor may contact City elected officials and may contact the Executive Director/CEO of Public Works if s/he is unable to reach the designated staff contact person(s) identified in the RFP or wishes to raise concerns about the competitive solicitation.

Additionally, the firms and subcontractor(s) responding to this RFP will not provide any gifts, meals, transportation, materials or supplies or any items of value or donations to or on behalf of any Public Works staff member from the date the RFP is issued to the date when the contract award is approved by the Board of Directors of Public Works and if required, by the San Francisco Board of Supervisors.

All lobbyists or any agents representing the interests of proposing prime contractors and subcontractor(s) shall also be subject to the same prohibitions.

An executed Attestation of Compliance (Appendix 1) certifying compliance with this section of the RFP will be required to be submitted signed by all firms and named subcontractor(s) as part of the response to this RFP. Any proposal that does not include the executed Attestation of Compliance as required by this section will be deemed non-responsive and will not be evaluated. Any Contractor who violates the representations made in such Attestation of Compliance, directly or through an agent, lobbyist or subcontractor will be disqualified from the selection process.

XXIII. PUBLIC ACCESS TO MEETINGS AND RECORDS

If a Proposer is a non-profit entity that receives a cumulative total per year of at least \$250,000 in City-funds or City-administered funds and is a non-profit organization as defined in Cher 12L of the San Francisco Administrative Code, the Proposer must comply with the reporting requirements of that Cher. The Proposer must include in its Proposal (1) a statement describing its efforts to comply with the Cher 12L provisions regarding public access to Proposer's meetings and records, and (2) a summary of all complaints concerning the Proposer's compliance with Cher 12L that were filed with the City in the last two years and deemed by the City to be substantiated. The summary shall also describe the disposition of each complaint. If no such complaints were filed, the Proposer shall include a statement to that effect. Failure to comply with the reporting requirements of Cher 12L or material misrepresentation in Proposer's Cher 12L submission shall be grounds for rejection of the proposal and/or termination of any subsequent Agreement reached on the basis of the proposal.

XXIV. RESERVATION OF RIGHTS BY THE CITY

The issuance of this RFP does not constitute an agreement by the City that any contract will actually be entered into by the City. The City expressly reserves the right, at any time, to:

- A. Waive or correct any defect or informality in any response, proposal, or proposal procedure;
- B. Reject any or all proposals;
- C. Reissue a Request for Proposals;
- D. Prior to submission deadline for proposals, modify all or any portion of the selection procedures, including deadlines for accepting responses, the specifications or requirements for any materials, equipment or services to be provided under this RFP, or the requirements for contents or format of the proposals;

- E. Procure any materials, equipment or services specified in this RFP by any other means; or
- F. Determine that no project will be pursued.

XXV. NO WAIVER

No waiver by the City of any provision of this RFP shall be implied from any failure by the City to recognize or take action on account of any failure by a Proposer to observe any provision of this RFP. Venue for all litigation relative to the formation, interpretation and performance of this RFP shall be in San Francisco.



MEMORANDUM

November 5, 2015

TO: MEMBERS, PORT COMMISSION
Hon. Leslie Katz, President
Hon. Willie Adams, Vice President
Hon. Kimberly Brandon
Hon. Doreen Woo Ho

FROM: Monique Moyer *M Moyer*
Executive Director

SUBJECT: Direction to staff to work with the Office of Economic and Workforce Development and the San Francisco Planning Department to create a parking management strategy that would consider the use of Port property at 19th and Illinois Streets and a portion of the Western Pacific property north of Pier 80 for overflow parking available for the proposed Golden State Warriors mixed-use arena project at Mission Bay South, if approved

DIRECTOR'S RECOMMENDATION: Approve Attached Resolution

EXECUTIVE SUMMARY

In April 2014, GSW Arena LLC ("GSW"), an affiliate of the Golden State Warriors announced their intention to move their planning efforts for a new multipurpose event center and mixed use development in San Francisco from Piers 30-32 to Blocks 29-32 in the Mission Bay South Redevelopment Project Area ("Event Center Project") where they now own the land outright, save costs and limit delays associated with regulatory approvals for shoreline and in-water development, and locate further from Bay Bridge and Embarcadero traffic congestion.

The new project site in Mission Bay is bounded by Third Street, South Street, Terry Francois Boulevard, and Sixteenth Street as shown on the map in Exhibit A. It sits at the intersection of the T-Third light rail line and the proposed bus priority lane on 16th Street and is surrounded by existing publicly available off street parking. Under certain peak conditions, however, this parking cannot accommodate all of the projected Event Center Project parking demand.

THIS PRINT COVERS CALENDAR ITEM NO. 11B

Port of San Francisco staff have discussed with the Office of Economic and Workforce Development the costs, benefits, and feasibility of developing two undeveloped Port properties for use as surface parking lots that could serve the Event Center Project under certain conditions commencing in fall 2018. Parking already is in use at one of these sites and is planned at the other site. Thus, parking for the Event Center at these two sites would not impair Port operations or affect public access.

SITE CHARACTERISTICS

The first site, southeast of 19th and Illinois Streets and shown on the map in Exhibit B, is about 2 acres in size and could accommodate approximately 250 parking spaces to serve neighborhood parking demand and possibly all events at the Event Center. It is within walking distance of the Event Center, Crane Cove Park, Pier 70, and the Dogpatch neighborhood. This site is currently vacant. Monthly revenue to the Port from interim parking at this site is estimated at \$43,000.

The second site, the Western Pacific site (shown on the map in Exhibit B) is located north and east of Maryland and Cesar Chavez Streets and just north of Pier 80, about 1 mile south of the Event Center. This site is approximately 8.7 acres in size. A portion of the site is currently subject to a short term lease for the staging of vehicles and equipment for events at Moscone Center. This site is easily accessible from I-280, could accommodate up to 800 temporary parking spaces during large events at the Event Center (over 12,500 attendees) when there is also a SF Giants game at AT&T Park (estimated at 9 such events per year). During these overlapping events GSW would provide a free shuttle to the Event Center at least every ten minutes. The existing use and the potential for future maritime uses at Pier 80 are compatible with the limited parking use anticipated from the 9 dual events. Parking revenue to the Port is estimated at \$7,300 per event.

The Port does not now have current development plans for these sites. Developing them as surface parking lots would meet projected parking demand in the neighborhood and would put two underutilized sites into active production of new Port revenues.

ENVIRONMENTAL REVIEW

The Final Subsequent Environmental Impact Report ("FSEIR") for the Event Center Project, released on October 23, 2015 by the Office of Community Investment and Infrastructure, the lead agency for project review within the Mission Bay South Redevelopment Project Area, included an analysis of parking on these sites for certain events at the Event Center. The FSEIR determined that implementing parking at the sites would help disperse vehicle trips over a broader area south of the Event Center. Appendix TR-X¹ of that document provides a more detailed description of the Illinois Street and Western Pacific sites and identifies the potential environmental impacts of implementing them as surface parking lots that could serve the Event Center and, in the case of the Illinois Street site, the surrounding neighborhood.

¹ See: http://sfmea.sfplanning.org/Vol%204_GSW%20MB%20Responses%20to%20Comments.pdf, pages 13.11-173 to 187

Port of San Francisco staff have discussed with the Office of Economic and Workforce Development the costs, benefits, and feasibility of developing two undeveloped Port properties for use as surface parking lots that could serve the Event Center Project under certain conditions commencing in fall 2018. Parking already is in use at one of these sites and is planned at the other site. Thus, parking for the Event Center at these two sites would not impair Port operations or affect public access.

SITE CHARACTERISTICS

The first site, southeast of 19th and Illinois Streets and shown on the map in Exhibit B, is about 2 acres in size and could accommodate approximately 250 parking spaces to serve neighborhood parking demand and possibly all events at the Event Center. It is within walking distance of the Event Center, Crane Cove Park, Pier 70, and the Dogpatch neighborhood. This site is currently vacant. Monthly revenue to the Port from interim parking at this site is estimated at \$43,000.

The second site, the Western Pacific site (shown on the map in Exhibit B) is located north and east of Maryland and Cesar Chavez Streets and just north of Pier 80, about 1 mile south of the Event Center. This site is approximately 8.7 acres in size. A portion of the site is currently subject to a short term lease for the staging of vehicles and equipment for events at Moscone Center. This site is easily accessible from I-280, could accommodate up to 800 temporary parking spaces during large events at the Event Center (over 12,500 attendees) when there is also a SF Giants game at AT&T Park (estimated at 9 such events per year). During these overlapping events GSW would provide a free shuttle to the Event Center at least every ten minutes. The existing use and the potential for future maritime uses at Pier 80 are compatible with the limited parking use anticipated from the 9 dual events. Parking revenue to the Port is estimated at \$7,300 per event.

The Port does not now have current development plans for these sites. Developing them as surface parking lots would meet projected parking demand in the neighborhood and would put two underutilized sites into active production of new Port revenues.

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¹ See: http://sfmea.sfplanning.org/Vol%204_GSW%20MB%20Responses%20to%20Comments.pdf , pages 13.11-173 to 187

NEXT STEPS

The Port maintains biennial capital budget and a ten-year capital plan that is subject to Port Commission and Board of Supervisors review and approval, and biennially updates its portion of the City's ten-year capital plan to proactively plan for enhancements to Port property and identify deferred and emerging Port capital needs. Working with the Office of Economic and Workforce Development to create a parking management strategy. Port staff will analyze the costs to develop the two sites and their respective revenue potential for inclusion in the Port's capital plan.

After obtaining all required regulatory approvals, including any required environmental review, Port staff will operate the sites through a parking lot operator subject to Port Commission authorization. As is the case with other Port parking facilities, the Port would receive all net parking revenues from the sites.

STAFF RECOMMENDATION

Port staff recommend that the Port Commission adopt the attached resolution directing Port staff to create a parking management strategy and a plan of finance and perform environmental review for an approximately 250-space surface parking lot near 19th and Illinois Streets to serve neighborhood parking demand and possibly all events at the Event Center, and an up to 800-space temporary surface parking lot on the Western Pacific site just north of Pier 80 for certain events at the Event Center.

Prepared by: Phil Williamson
Senior Project Manager

For: Byron Rhett
Deputy Director, Planning & Development

EXHIBITS

Exhibit A: Mission Bay South Redevelopment Project Area

Exhibit B: 19th & Illinois Street and Western Pacific site plans

**PORT COMMISSION
CITY AND COUNTY OF SAN FRANCISCO
RESOLUTION NO. 15-42**

- WHEREAS, GSW Arena LLC ("GSW"), an affiliate of the Golden State Warriors entered into a purchase agreement with salesforce.com to acquire approximately 11 acres in the Mission Bay South Redevelopment Project Area Blocks 29-32 bounded by Third Street, South Street, Terry Francois Boulevard, and Sixteenth Street as shown in Exhibit A to the staff report (the "Project Site") and, on April 21, 2014, announced its intention to focus its plans to build an event center and mixed-use development ("Event Center Project") on the project site in Mission Bay South instead of pursuing its prior proposal at Piers 30-32 and part of Seawall Lot 330; and
- WHEREAS, On October 23, 2015, the Office of Community Investment and Infrastructure, the lead agency for project review within the Mission Bay South Redevelopment Project Area, released the Final Subsequent Environmental Impact Report for the Event Center Project (the "Final SEIR") as required under the California Environmental Quality Act ("CEQA"), California Public Resources Code Sections 21000 et seq., which included the Draft Subsequent Environmental Impact Report ("GSW DSEIR"), the comments received during the review period, any additional information that became available after the publication of the GSW DSEIR, and the Draft Summary of Comments and Responses; and
- WHEREAS, The GSW DSEIR identified a mitigation measure to reduce significant traffic impacts when certain events at the proposed Event Center Project would overlap with evening baseball games at AT&T Park and this measure is identified as Mitigation Measure M-TR-11c: Additional Strategies to Reduce Transportation Impacts of Overlapping Events; and
- WHEREAS, Mitigation Measure M-TR-11c, among other mitigation elements, identified the use of two off-site parking sites south of the Project Site under Port ownership and provision of shuttles to the Event Center Project as a way to reduce project impacts though the transportation impacts still would remain significant and unavoidable; and
- WHEREAS, The Port owns approximately 2 acres of undeveloped property one-half mile south of the project site at the southeast corner of 19th and Illinois Streets, bounded to the west by Illinois Street, to the north by industrial uses and the boundaries of the future planned 9-acre Crane Cove Park currently undergoing schematic design, to the east by more industrial uses, and to the south by a four-story office building, vacant land, and the boundaries of the leasehold held by Orton Development, Inc. (the "Illinois site") as shown in Exhibit B to the accompanying staff report; and

- WHEREAS, The Illinois site can accommodate approximately 250 parking spaces, and the Port has expressed interest in developing it for parking to serve neighborhood parking demand and possibly all Event Center events; and
- WHEREAS, The Port also owns approximately 8.74 acres of undeveloped property one mile south of the Project Site, north and east of Maryland and Cesar Chavez Streets, south of Warm Water Cove, and surrounded to the west by MUNI Metro East and to the South by Pier 80 on land previously owned by the Western Pacific Railway (the "Western Pacific site") as shown in Exhibit B to the accompanying staff report; and
- WHEREAS, The Western Pacific site can accommodate approximately 800 temporary parking spaces for use when events involving 12,500 or more Event Center attendees overlap with an evening baseball game at AT&T Park; and
- WHEREAS, The Port does not now have current development plans for either the Illinois Street or the Western Pacific sites, and the use of either site would neither displace existing tenants nor impair Port operations or existing public access; and
- WHEREAS, The Final SEIR determined that implementation of parking facilities at the Illinois Street and Western Pacific sites would not result in a substantial increase in the proposed Event Center Project's traffic impacts but would help to disperse Project vehicle trips over a broader area south of the Project site, reducing the effect of increased traffic at intersections closer to the project site, the University of California San Francisco medical campus, and neighboring businesses and residences; and
- WHEREAS, The Office of Economic and Workforce Development worked with Port staff to estimate the site conditions, access points, capital needs, revenue potential, and other costs and benefits of using the Illinois Street and Western Pacific sites for surface parking and determined that further study is warranted; and
- WHEREAS, The Port maintains a ten-year capital plan that is subject to Port Commission and Board of Supervisors review and approval, a biennial capital budget and biennially updates its portion of the City's ten-year capital plan to proactively plan for enhancements to Port property and identify deferred and emerging Port capital needs, and the Port would receive all net parking revenues from the Illinois Street and the Western Pacific sites; and
- WHEREAS, If the Illinois Street site is developed as a parking lot, this site would provide pedestrian access along Illinois Street to the Event Center Project; and

WHEREAS, If the Western Pacific site is developed as a temporary parking lot for use only during specified overlapping events at the Event Center Project and evening baseball games at AT&T Park, GSW would provide free shuttle service from the more distant Western Pacific site to the Event Center with a maximum 10-minute headway; now, therefore, be it

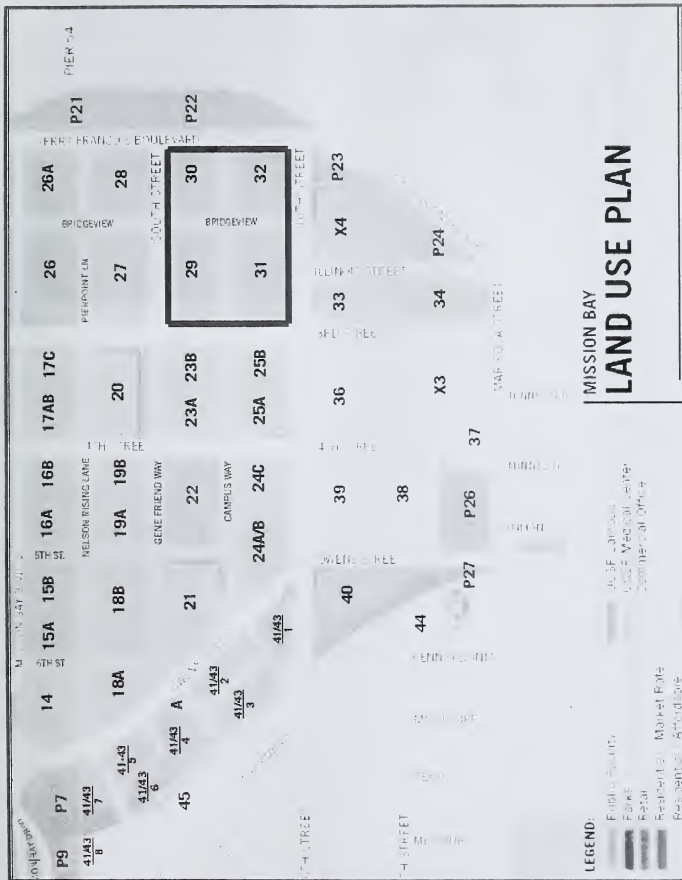
RESOLVED, The Port Commission directs Port staff to create a parking management strategy and a plan of finance related to the proposed Event Center Project, including consideration of 250 surface parking spaces at the Illinois Street site and up to 800 temporary surface parking spaces at the Western Pacific site and including these sites in the Port's 10-year capital plan process; and be it further

RESOLVED, The Port Commission directs Port staff to work with the Office of Economic and Workforce Development and the San Francisco Planning Department to complete any necessary environmental review associated with the development and use of the two proposed surface parking lots as required under CEQA; and be it further

RESOLVED, Nothing in this Resolution implements any approvals or facilities for any project, or grants any entitlements, nor does adoption of this Resolution foreclose the possibility of considering environmental impacts, alternatives to a project, adopting mitigation measures, or deciding not to approve a project after conducting appropriate environmental review under CEQA.

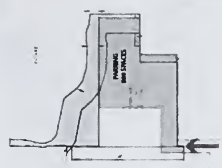
I hereby certify that the foregoing resolution was adopted by the Port Commission at its meeting of November 10, 2015.

Secretary





① Pier 70 Between Georgia St and Illinois St (250 spaces approx.)



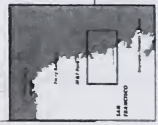
CELEBRITY CHANCE

② Western Pacific Site (750 spaces approx.)

Potential Arena Parking Sites

● POTENTIAL PARKING SITES

→ ACCESS POINT





MEMORANDUM

November 5, 2015

TO: MEMBERS, PORT COMMISSION
Hon. Leslie Katz, President
Hon. Willie Adams, Vice President
Hon. Kimberly Brandon
Hon. Doreen Woo Ho

FROM: Monique Moyer *MMoyer*
Executive Director

SUBJECT: Informational presentation on the proposed Infrastructure Financing Plan for Pier 70 Subarea G-1 encompassing the Pier 70 - Historic Core and approval of the Port-Controller Memorandum of Understanding to implement the Pier 70 - Historic Core Infrastructure Financing Plan

DIRECTOR'S RECOMMENDATION: Informational Presentation; Approve Attached Resolution

Executive Summary

As part of the approvals for Lease No. L-15814 between the Port of San Francisco and Orton Development, Inc. and its affiliate Historic Pier 70, LLC ("Orton") for the development and lease of six historic buildings along 20th Street ("20th Street Historic Building Project" or "Pier 70 - Historic Core"), the Port Commission and the Board of Supervisors directed Port staff to develop an Infrastructure Financing Plan ("IFP") to finance improvements to facilitate the rehabilitation of the Pier 70 - Historic Core and to fund phase 2 of Crane Cove Park at Pier 70. A map of the Pier 70 - Historic Core is included as Exhibit A.

This staff report includes an overview of the proposed Pier 70 - Historic Core IFP and the legislation required to adopt the IFP, including a resolution approving a Memorandum of Understanding between the Port, the Controller and the Treasurer/Tax Collector ("Port-Controller-Tax Collector MOU"). The attached resolution requests Port Commission approval for Port staff to negotiate and execute the Port-Controller-Tax Collector MOU as described in this report.

THIS PRINT COVERS CALENDAR ITEM NO. 11C

The Pier 70 - Historic Core IFP addresses the Port's Strategic Plan objectives of Renewal and Stability by (1) creating a vibrant new neighborhood at Pier 70 for residents, commercial and industrial/PDR businesses and employees, (2) expanding the Port's necklace of public open spaces and creating a major new waterfront park and (3) advancing solutions to the Port's capital funding gap by maximizing external investment capital including IFD funds.

Background

Since 2005, Port has been seeking the authority to capture property tax growth to fund public improvements along the San Francisco waterfront. In 2005, the California Legislature approved SB 1085 (Senator Carole Migden), which authorized the Board of Supervisors ("Board") to form infrastructure financing districts ("IFD") that include Port property and in 2010 the Legislature approved AB 1199 (Assemblymember Tom Ammiano) which authorized the Port to capture the State's share of property (or possessory interest) tax at Pier 70 (collectively, "Port IFD Law").

In 2012, the Board of Supervisors authorized the formation of Port Infrastructure Financing District #2 ("Port IFD"), encompassing Port property. In 2013, by Resolution 123-13, the Board of Supervisors adopted Guidelines for the Establishment and Use of an Infrastructure Financing District on Port Land.

As part of the approval of the 20th Street Historic Building Project, the Port Commission and the Board of Supervisors both directed Port staff to seek approval of an IFP for the Pier 70 - Historic Core. Board of Supervisors Resolution 273-14 approving Lease No. L-15814 states:

"FURTHER RESOLVED, That this Board directs Port staff to seek Board adoption of an ordinance to create the Port Infrastructure Financing District and approval of an Infrastructure Financing Plan for public realm improvements within and adjacent to the leasehold, installation of new electrical service to service the Pier 70 Shipyard and removal of old transformers from Building 102, and Phase 2 of Crane Cove Park including sediment remediation following completion of any necessary environmental documentation prepared in compliance with CEQA with respect to the foregoing improvements; and, be it [emphasis added]"

Accordingly, staff is seeking approval of the Board of Supervisors to form an IFD subarea ("Appendix G-1", as shown on Exhibit A) that includes Orton's 20th Street Historic Building Project at Pier 70.

Port Infrastructure Financing Districts

Port IFD Law operates in much the same way as former redevelopment law: when approved by the Board of Supervisors, the Port may form an infrastructure financing district and establish a base year, after which the Port may capture growth in property or possessory interest¹ taxes ("Tax Increment"), either annually ("pay-go") or through the

¹ Possessory interest taxes are property tax levied against leasehold interests. Port tenants are responsible for paying possessory interest taxes to the City

issuance of bonds, to fund facilities of “communitywide significance” as part of an approved Infrastructure Financing Plan.

The Port’s 10-Year Capital Plan has included projected proceeds from a Port IFD to fund major capital improvements since 2007. Subject to approval by the Board of Supervisors, the proposed Pier 70 - Historic Core IFP will be the first time the Port implements the Port IFD Law and realizes funding to address Port capital needs.

Within the Port IFD, the Port establishes “project areas” encompassing each project site, but only when the related development has been approved by the Board. Port IFD Law generally allows the capture of property or possessory interest taxes for periods of up to 45 years; establishing different project areas allows the Port to set different 45 year “clocks” for each project area, thus maximizing capture of Tax Increment.

Port IFD law allows the following uses of Tax Increment:

- Repairs and upgrades to piers, docks and wharves and the Port’s seawall
- Installation of piles, both to support piers and to support buildings where soil is subject to liquefaction
- Parks and shoreline improvements, where the Port has been unable to secure General Obligation bond funding to fund new parks
- Utility infrastructure, including utility requirements to comply with standards imposed by the Regional Water Quality Control Board and/or the Bay Area Air Quality Management District
- Streets and sidewalks
- Seismic upgrades and improvements to the City’s seawall and other measures to address sea level rise
- Environmental remediation
- Historic rehabilitation
- Improvements to Port maritime facilities

The City’s *Guidelines for the Establishment and Use of an Infrastructure Financing District on Port Land* establish the following strategic criteria for the use of Port IFDs:

- **Use IFDs where other Port moneys are insufficient.** Waterfront districts should be used to construct public facilities when the Port does not otherwise have sufficient funds to finance the improvements.
- **Use IFDs strategically to leverage non-City resources.** Waterfront districts should be used as a tool to leverage additional regional, state and federal funds. For example, IFDs may prove instrumental in securing matching federal or state dollars for transportation projects.
- **Continue the “best-practices” citizen participation procedures used to help City agencies prioritize implementation of public facilities funded by a waterfront district.** Staff has made several presentations and engaged regularly with local advisory and stakeholder groups including the Central Waterfront Advisory Group.

Consistent with the “best practices” citizen participation described above, Port staff presented the proposed Pier 70 - Historic Core IFP to the Central Waterfront Advisory Group at its October 2015 meeting.

Port IFD Legislative Process

The legislative process to form an IFD on Port property is time-consuming and provides the public with multiple opportunities to provide input to the Board of Supervisors.

On October 6, 2015, Mayor Edwin M. Lee and Supervisor Malia Cohen sponsored two proposed resolutions to initiate the process to form the Pier 70 - Historic Core IFD. The sponsors introduced substitute legislation for the second of the resolutions on October 20, 2015. These resolutions included:

1. A resolution Further Amending Resolution of Intention to Establish Infrastructure Financing District No. 2 for the City and County of San Francisco at the Port of San Francisco (File No. 151006).
2. Resolution of Intention to Issue Bonds in an Amount Not to Exceed \$25,100,000 for City and County of San Francisco Infrastructure Financing District No. 2 (Port of San Francisco) (File No. 151007).

These resolutions provide the public with notice of the City's intent to form a Port IFD at Pier 70 and to issue bonds repaid by Tax Increment and direct City staff to prepare the Pier 70 - Historic Core IFP, which includes a detailed expenditure plan for available Tax Increment. On Wednesday, October 28, 2015, the Board of Supervisors Budget and Finance Committee recommended approval of these resolutions to the Board of Supervisors. On Tuesday, November 3, 2015, the Board of Supervisors approved the resolution of intention to issue bonds but continued the resolution further amending the resolution of intention to establish IFD No. 2 until November 17, 2015.

Subsequently, Port staff will work with the City Attorney, the Controller and the Tax Collector to finalize drafts of the following legislation, which will approve the formation of the Pier 70 - Historic Core IFP:

- Ordinance Forming the Infrastructure Financing District and Adopting the Infrastructure Financing Plan
- Resolution Authorizing the Issuance of Bonds
- Resolution Approving the Memorandum of Understanding between the Port, Controller and Tax Collector

Pier 70 - Historic Core IFP

With the assistance of Keyser-Marston Associates, Port staff has developed an IFP for the Pier 70 - Historic Core that describes the sources and uses of funding for the project. The funding plan for the Pier 70 - Historic Core IFP is shown in Table 1 below. The proposed IFP anticipates that Orton will initially fund public right-of-way improvements and the Port will fund replacement of electrical infrastructure (including removal of PCB transformers) in Building 102, and that Port will be, and Orton may be, repaid by the proposed Pier 70 - Historic Core IFD. The remaining Tax Increment will fund a portion of Crane Cove Park Phase 2.

Table 1: Pier 70 - Historic Core IFP Funding Plan

Anticipated Uses	Est. Cost, 2015 Dollars	Target Completion Schedule
Crane Cove Park - Phase 2	\$13,899,000	Based on funding availability
Bldg. 102 electrical relocation/improvements	3,090,000	FY 2016/17
Street, sidewalk, traffic signal improvements	<u>1,271,000</u>	FY 2016/17 – FY 2017/18
Total	\$18,260,000	

The Pier 70 - Historic Core sub-project area (Orton's leasehold for the 20th Street Historic Building project) will generate approximately \$720,000 annually in Tax Increment to the IFD at stabilization in FY 2019-20, which will increase overtime. The project is scheduled to be fully built-out and attain financial stabilization in 2021. At this point, the Port anticipates issuing bonds supported by the Tax Increment. Current estimates indicate the increment supports net bond proceeds of approximately \$6.6 million (in 2015 dollars).

The form of bonds issued to support the IFP will be a later decision for the Board of Supervisors, based on recommendations from the Port Commission. The Port IFD Law permits issuance of IFD bonds, but these bonds have not yet been issued in the State of California. Lease No. L-15814 between the Port of San Francisco and Orton anticipates the possible use of Community Facilities District ("CFD") bonds under the Mello-Roos Act, which may be part of a broader Pier 70 strategy that the Port Commission may pursue.

Table 2: Pier 70 - Historic Core IFP Sources and Uses

Sources / Uses	2015 Dollars
Port, developer advance, net of bonds	\$1,762,363
Bond proceeds	6,558,879
Allocated Tax Increment, portion	<u>15,090,670</u>
Total Sources	\$23,411,912
Projects funded by debt*	\$8,321,242
Projects funded by pay-go*	9,938,434
Interest expense	<u>5,152,236</u>
Total Uses	\$23,411,912

**Projects funded by debt and pay-go equal \$18.26 million consistent with Table 1*

A preliminary version of the IFP was presented to Capital Planning Committee on October 19, 2015. Consistent with the City's *Guidelines for the Establishment and Use of an Infrastructure Financing District on Port Land*, the final IFP will be subject to review and a recommendation from the Capital Planning Committee to the Board of Supervisors prior to its vote on whether to adopt the IFP.

Port-Controller Memorandum of Understanding

The proposed Port-Controller-Tax Collector MOU ("MOU"), a copy of which is on file with the Port Commission Secretary, sets forth the roles and responsibilities of the Port, Controller and Treasurer/Tax Collector and will govern the distribution of funds for the specific improvements in the Infrastructure Financing Plan related to Sub-Project Area G-1 and allow for the use of one or more CFDs in the territory of the Pier 70 – Historic Core. Table 3 below describes the key terms of the proposed MOU:

Table 3: Port-Controller-Tax Collector MOU Key Provisions

Provision	Description
Term	<p>Under Charter Section Charter B7.320 (Port Agreements), the MOU is a multiple-year agreement which will terminate at the later of:</p> <ol style="list-style-type: none"> 1) when all of the IFD Tax Increment from Sub-Project Area G-1 has been disbursed in accordance with IFD Law and Appendix G-1; 2) the last date on which CFD special taxes may be levied within a corresponding CFD; and 3) when all debt issued under the IFD and CFD financing documents has been defeased and the proceeds of such debt have been expended.
Cooperation	The Port, the Controller and the Treasurer-Tax Collector will cooperate with respect to implementing the IFD (including project subarea G-1) and any CFD, including a maintenance or facility CFD, and any judicial validation action to affirm the City's actions.
Controller	Authorizes and directs the Controller to allocate, budget, and appropriate Sub-Project Area G-1 tax increment to the IFD, avoiding the need for discretionary annual appropriations. The MOU includes a similar commitment with respect to the CFDs, when formed.
Treasurer/Tax Collector	Authorizes the Treasurer-Tax Collector to levy and collect tax increment in Sub-Project Area G-1 and any special taxes for a CFD, and provides that the Treasurer-Tax Collector agrees to do so. The Treasurer-Tax Collector and the Controller also agree not to dispute any statement of indebtedness related to Sub-Project Area G-1.
Port	Establishes the Port as the agent of the IFD with respect to Sub-Project Area G-1 and any CFD. Authorizes the payment of any Port, Controller or Treasurer-Tax Collector administrative expenses by the IFD and CFD**.

**The Port is expected to incur administrative expenses as agent and the Treasurer-Tax Collector is expected to incur costs associated with the levy and collection of new special taxes for a CFD.

The MOU is required because California law only allows the City to establish and allocate property tax revenue to an IFD. The MOU will provide certainty that the IFD and Sub-Project Area G-1 will be formed and implemented as approved. Under the MOU, property tax paid in Sub-Project Area G-1 would be allocated to the IFD after administrative expenses are paid to the City. The MOU would limit future discretion of the Board of Supervisors to change the IFD policy or the allocation of increment after initial approval. This will provide more certainty to investors and will allow for bonding against future IFD revenues.

The Port does not have legal authority to establish CFDs. The MOU provides certainty that the Board of Supervisors will form and implement CFDs as described in prior approvals. The MOU establishes that the special fund where Tax Increment is deposited will be held by the Port, the Port will be appointed to administer withdrawals, and the Port will work with the Office of Public Finance on bond issuances.

Recommendation and Next Steps

Port staff recommends approval of the attached resolution authorizing Port staff to negotiate and execute the Port-Controller-Tax Collector MOU as described in this report. Following direction from the Port Commission and the Board of Supervisors, Port staff will work with the City Attorney, the Office of Mayor Edwin M. Lee and Supervisor Malia Cohen to draft and prepare the following legislation for introduction at the Board of Supervisors on November 17, 2015:

- Ordinance Forming the Infrastructure Financing District and Adopting the Infrastructure Financing Plan
- Resolution Authorizing the Issuance of Bonds
- Resolution Approving the Memorandum of Understanding (MOU) between the Port, Controller and Tax Collector

If the Board of Supervisors approves the legislation described above, Port staff will return to the Port Commission at a later date to seek further policy direction regarding the formation of any CFD over the Pier 70 Historic Core, any proposed issuance of bonds pursuant to the IFP, or other related actions.

Prepared by: Brad Benson,
Director of Special Projects

Elaine Forbes,
Deputy Director of Finance & Administration

Phil Williamson,
Senior Project Manager

for: Byron Rhett, Deputy Director of Planning and
Development

Exhibit A: Pier 70 – Historic Core Map

**PORT COMMISSION
CITY AND COUNTY OF SAN FRANCISCO**

RESOLUTION NO. 15-43

- WHEREAS, California Statutes of 1968, Chapter 1333 (Burton Act) and the San Francisco Charter Sections 4.114 and B3.581 empower the San Francisco Port Commission (Port Commission) with the authority and duty to use, conduct, operate, maintain, manage, regulate and control the lands within Port Commission jurisdiction; and
- WHEREAS, Under Government Code Sections 53395 et seq. (IFD Law), the Board of Supervisors of the City is authorized to establish an infrastructure financing district and to act as the legislative body for an infrastructure financing district, including the formation of "waterfront districts" under Section 53395.8 and "Pier 70 enhanced financing plan" and subareas within the Pier 70 district pursuant to Section 53395.81 of the IFD Law; and
- WHEREAS, Pursuant to Section 53395.8 of the IFD Law, a waterfront district may be divided into project areas; and
- WHEREAS, On April 23, 2013, the Board of Supervisors, by Resolution No. 123-13, adopted "Guidelines for the Establishment and Use of Infrastructure Financing Districts on Project Areas on Land under Jurisdiction of the San Francisco Port Commission" (Port IFD Guidelines) relating to the formation of infrastructure financing districts by the City on waterfront property in San Francisco under the jurisdiction of the Port Commission; and
- WHEREAS, On March 27, 2012, by Resolution No. 110-12 (Original Resolution of Intention to Establish IFD), the Board of Supervisors declared its intention to establish a waterfront district to be known as "City and County of San Francisco Infrastructure Financing District No. 2 (Port of San Francisco)" (IFD), and designated initial proposed project areas within the IFD; and
- WHEREAS, On June 12, 2012, by Resolution No. 227-12 (First Amending Resolution), the Board of Supervisors amended the Original Resolution of Intention to Establish IFD to propose, among other things, an amended list of Project Areas; and
- WHEREAS, On October 6, 2015, , Mayor Edwin M. Lee and Supervisor Malia Cohen introduced legislation (Resolution of Intention to Establish an IFD) to amend the Original Resolution of Intention, as previously amended, to propose Sub-Project Area G-1 (Pier 70 - Historic Core) within the Pier 70 district; and

WHEREAS, Sub-Project Area G-1 (Pier 70 - Historic Core) includes property that the City, acting by and through the Port Commission, has leased to Historic Pier 70, LLC (an affiliate of Orton Development, Inc.) pursuant to Lease No. L-15814, dated as of July 29, 2015 (Lease), which property will be rehabilitated pursuant to a Lease Disposition and Development Agreement, dated as of September 16, 2014, by and between the City, acting by and through the Port Commission, and Historic Pier 70, LLC (LDDA); and

WHEREAS, Sub-Project Area G-1 (Pier 70 - Historic Core) is within the Eastern Neighborhoods Community Plan Area, for which the San Francisco Planning Commission certified the Eastern Neighborhoods Rezoning and Area Plans Final EIR (EN FEIR) (Planning Department Case No. 2004.0160E); and

WHEREAS, The Planning Department reviewed the project described in the LDDA (Project) and determined that a community plan exemption under CEQA Guidelines Section 15183 would be appropriate because the Project is within the scope of the EN FEIR and would not have any additional or significant adverse effects that were not examined in the EN FEIR; and

WHEREAS, Based on those findings, the San Francisco Planning Department prepared a Community Plan Exemption for the proposed Project, which exemption was approved on May 7, 2014 (Planning Department Case No. 2013.1168E) and the San Francisco Planning Department subsequently prepared a Community Plan Exemption for the construction of Crane Cove Park on October 5, 2015 (Planning Department Case No. 2015-001314ENV); and

WHEREAS, If adopted, the Resolution of Intention to Establish IFD will direct the Executive Director of the Port (Executive Director) to prepare an infrastructure financing plan for the IFD (Infrastructure Financing Plan) consistent with the requirements of the IFD Law; and

WHEREAS, As required by the IFD Law, the Executive Director:

(A) Has prepared the Infrastructure Financing Plan for the IFD as a whole, describing the procedures by which property tax increment (Tax Increment) from project areas in the IFD will be allocated to specific public facilities, which creates a government funding mechanism that does not commit to any specific project that may result in a potentially significant physical impact on the environment and therefore is exempt from CEQA; and

(B) Has prepared Appendix G-1 to the Infrastructure Financing Plan, proposing an allocation of property Tax Increment from proposed Sub-Project Area G-1 (Pier 70 - Historic Core) to finance the public facilities described in Appendix G-1 to the Infrastructure Financing Plan,

which development and public facilities have been analyzed under CEQA in the EN FEIR and subsequent Community Plan Exemptions; and

(C) Will send the Infrastructure Financing Plan, including Appendix G-1, along with the EN FEIR and subsequent Community Plan Exemptions, to the City's Planning Department and the Board of Supervisors; and

WHEREAS, The Clerk of the Board of Supervisors will make the Infrastructure Financing Plan, including Appendix G-1, available for public inspection; and

WHEREAS, Following publication of notice consistent with the requirements of the IFD Law, the Board of Supervisors will hold a public hearing relating to the proposed Infrastructure Financing Plan, including Appendix G-1; and

WHEREAS, Upon the completion of the public hearing, the Board of Supervisors will introduce an "Ordinance establishing an Infrastructure Financing District and adopting an Infrastructure Financing Plan for City and County of San Francisco Infrastructure Financing District No. 2 (Port of San Francisco)," which will fully form and establish the Infrastructure Financing Plan, including Appendix G-1 and establish the base year for Sub-Project Area G-1; and

WHEREAS, The LDDA also provides for formation by the City of (i) a community facilities district (Facilities CFD) under the Mello-Roos Community Facilities Act of 1982 (California Government Code §§ 53311 - 53368), the San Francisco Special Tax Financing Law (Admin. Code ch. 43, art. X) or similar law (collectively, the "CFD Law") to finance certain public infrastructure described in the LDDA and (ii) a community facilities district (Services CFD) under the CFD Law to finance certain ongoing maintenance costs; and

WHEREAS, San Francisco Charter Section B7.320 authorizes the Mayor to submit to the Board of Supervisors for approval a memorandum of understanding between the Port Commission and another department or departments of the City, approved by the Port Commission by resolution, that requires the department(s) to expend funds or to transfer funds to the Port Commission; and

WHEREAS, The Port Commission wishes to approve a Memorandum of Understanding (M-16022) by and among the Controller of the City and County of San Francisco (Controller), the Treasurer and Tax Collector of the City and County of San Francisco (Treasurer-Tax Collector) and the Port Commission (Memorandum of Understanding) as further described in the staff report attached to this Resolution, pursuant to which the Controller, the Treasurer-Tax Collector and the Port Commission would agree to implement Appendix G-1, and to request the Mayor to submit the

Memorandum of Understanding to the Board of Supervisors for its approval; now, therefore, be it

RESOLVED, That the Memorandum of Understanding between the Port Commission, the Treasurer-Tax Collector and the Controller, in the form on file with the Port Commission Secretary and as further described in the staff report attached to this Resolution, is hereby approved and the Executive Director (or her designee) is hereby authorized to execute the Memorandum of Understanding with such changes, additions and modifications as the Executive Director (or her designee) may make or approve in consultation with the Controller and the Treasurer-Tax Collector in accordance with this Resolution; and, be it further

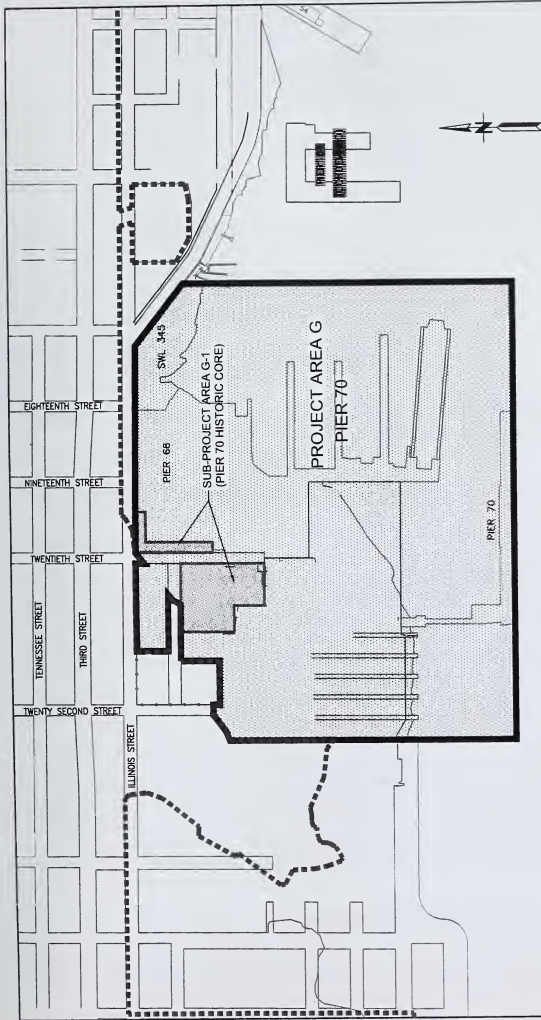
RESOLVED, That the Executive Director, upon consultation with general counsel to the Port Commission, is hereby authorized to make such modifications, changes and additions to the Memorandum of Understanding as may be necessary or desirable and in the interests of the Port Commission, and which changes do not materially increase the obligation of the Port Commission or reduce its rights thereunder, which modifications, changes and additions shall be conclusively evidenced by the execution and delivery of the Memorandum of Understanding by the Executive Director; and, be it further

RESOLVED, That the Port Commission hereby requests the Mayor to submit the Memorandum of Understanding to the Board of Supervisors for its approval.

I hereby certify that the foregoing resolution was adopted by the Port Commission at its meeting of November 10, 2015.

Secretary

Exhibit A



**PROJECT AREA G
(PIER 70)**

SAN FRANCISCO PORT COMMISSION
PORT OF SAN FRANCISCO
DEPARTMENT OF ENGINEERING

APPROVED BY _____
SAN FRANCISCO PORT COMMISSION
DATE _____
_____ CHIEF HARBOR ENGINEER

DRAWN BY: JO	DATE: SEPT 29, 2015
CHECKED BY	SCALE: NONE
DRAWING NO.	SHEET NO. OF



MEMORANDUM

November 6, 2015

TO: MEMBERS, PORT COMMISSION
Hon. Leslie Katz, President
Hon. Willie Adams, Vice President
Hon. Kimberly Brandon
Hon. Doreen Woo Ho

FROM: Monique Moyer *Moyer*
Executive Director

SUBJECT: Request Authorization to issue a Request for Proposals (RFP) for a Retail Leasing Opportunity at the Pier 29 Bulkhead Building, located at Chestnut Street and The Embarcadero

DIRECTOR'S RECOMMENDATION: Approve Attached Resolution

SUMMARY

Port staff is seeking Port Commission approval to offer through the competitive solicitation process a Request for Proposals (RFP) for approximately 20,000 s.f. of the Pier 29 Bulkhead Building (the "Site") for a unique destination use that is "San Francisco Bay Area flavored" that will create and draw activity in the environs of Pier 29. The Site has been tested as a successful public destination by the Waiheke Island Yacht Club, a temporary "pop up" restaurant which operated during the 34th America's Cup events in summer 2013. Any proposed use(s) of the Site must be consistent with the Port's *Waterfront Land Use Plan* ("Waterfront Plan") which enumerates a variety of allowable uses at the Site, including retail uses. However, the RFP will specifically seek uses which focus on the creation and sales of arts, crafts and/or dry goods¹; including artists and designers working out of studio/exhibit spaces; innovators' open studios; galleries; public and other markets; and ongoing exhibitions, cultural and exhibit space, including ancillary space for live demonstrations and displays. It is staff's goal that this use augment the rich experience of visitors, businesses and residents in the Northeast Waterfront and highlight and promote that which is unique to our region and culture.

THIS PRINT COVERS CALENDAR ITEM NO. 12A

¹ Defined for these purposes as textiles, clothing, and notions, etc. Does not mean tobacco or other such products.

BACKGROUND

Reuse of Pier 29, especially the bulkhead building fronting on The Embarcadero, is an important next step to support the Port's investment in and use of the James R. Herman Cruise Terminal and Cruise Terminal Plaza. Last year, at its July 8, 2014 meeting, Port staff presented a new leasing strategy and proposal to reposition the Site for public-friendly activities, following upon the positive experience of the temporary Waiheke Island Yacht Club restaurant that occupied the bulkhead building during the 34th America's Cup. Rather than returning the facility to light industrial leases and/or parking, Port staff proposed a different direction given that this facility was completely rebuilt following the major fire in 2012 and in light of the growth in pedestrian volumes since the opening of the James R. Herman Cruise Terminal, Cruise Terminal Plaza and The Exploratorium. This retenancing proposal received encouragement and feedback from the Port Commission and the public. In investigating this use opportunity, Port staff had conversed with stakeholders including sessions with the Northeast Waterfront Advisory Group ("NEWAG"), regarding the future use(s) of Pier 29.

At the July 9, 2015 Port Commission meeting, staff further explained a refined retenancing proposal for seeking potential use(s) and related lease(s) to improve and operate a visitor-serving facility within a 20,000 square foot portion of the Site, located in the Port's Northeast Waterfront² adjacent to the James R. Herman Cruise Terminal at the foot of Chestnut Street on the Embarcadero.

The activation of the Site is not meant to compete with other existing Port retail areas and activities such as those located in the Fisherman's Wharf and Ferry Building areas. Additionally, Port staff do not envision the space as another full service restaurant, such as the Waiheke Yacht Club, occupying the entire 20,000 s.f.

As reported separately to the Port Commission, Port staff has commenced with the Waterfront Land Use Plan Update. That project, which includes neighborhood-level planning of the Northeast Waterfront subarea that includes Pier 29, will provide public insights and feedback on possible future public-oriented uses for the pier shed. In the meantime, Port staff also will continue investigation of the remainder of the pier, what uses can be accommodated, what seismic investment may be required and how such investment may be funded. The end result may be that the remainder of Pier 29 is retenanted on an area-by-area basis or that a master tenant is identified to rehabilitate and reoccupy the whole facility. Port staff will continue its investigation and return to the Port Commission with results and recommendations as they become available.

² The Northeast Waterfront is that portion of the Port's portfolio running south from Pier 35 to Pier 7 just north of the Ferry Building and including the Port's landside properties at Seawall Lots 314, 321, 322, 322-1, 323, 324 & 351. The Northeast Waterfront is part of a former maritime and industrial district which has successfully evolved into a vibrant urban neighborhood.

PROPOSED SOLICITATION FOR PIER 29 BULKHEAD BUILDING

As indicated above, Port staff has been evaluating the condition and opportunities for both the Site and shed, but currently seeks to re-lease only the Site to capitalize on the significant investment made to date and take advantage of the Site's proximity to The Embarcadero and its ability to complement and support the James R. Herman Cruise Terminal and the Cruise Terminal Plaza.

In addition to having the ability to integrate the Waterfront Land Use Plan Update and further seismic and sea level rise investigations into the process, this approach allows for experimentation and response to changing market conditions. Port staff proposes to start this process with an RFP for leasing, build-out and operating the Site. Through the competitive selection process, Port staff proposes to solicit a potential tenant(s) to perform all tenant improvements, associated infrastructure improvements and needed health and safety upgrades to the Site. Consistent with other similar Port bidding processes, respondents will be screened for their capabilities and qualifications to undertake improvements at the Site and continuously operate it as a high quality facility.

To ensure the success and consistency of this unique experience, the Port will entertain proposals which emphasize the tenant's ability to manage such a space, which may include creation of an advisory board similar to the board overseeing the Ferry Building farmer's market.³

Port staff now are ready to seek Port Commission approval of an opportunity and the issuance of an RFP for the Site.

Request for Proposals (RFP)

Subject to approval by the Port Commission, Port will issue an RFP package consistent with standards and criteria for similar opportunities as established by the Port. The package would include an overview, a site map, a narrative description of the opportunities, project objectives, project approvals, lease parameters, selection process, selection criteria, and schedule and submittal requirements.

Advertising: Subject to Port Commission authorization, Port staff will advertise the RFP opportunity on the Port and Office of Contract Administration websites. Port staff will send copies of the RFP to interested parties compiled through industry market research. The Port will host a pre-bid conference to review the RFP, answer respondent questions, and provide a networking opportunity for potential bidders. The pre-bid conference will be followed by a site tour. In addition, the RFP will be advertised using the following resources:

- San Francisco African American Chamber of Commerce
- Hispanic Chamber of Commerce of San Francisco

³ CUESA (Center for Urban Education about Sustainable Agriculture) is dedicated to cultivating a sustainable food system through the operation of the Ferry Plaza Farmers Market and its educational programs.

- Chinese Chamber of Commerce, San Francisco
- LGBT Chamber of Commerce, San Francisco (Golden Gate Business Association)
- San Francisco Chamber of Commerce
- San Francisco Business Times
- Board of Supervisors Neighborhood Outreach Advertising Newspapers
- SPUR

Advisory Panel: The submittals will be reviewed and evaluated by an advisory panel selected by Port staff, consisting of up to five individuals with experience in real estate economics, real estate development and construction, retail operations and environmental regulatory compliance ("Advisory Panel"). The Advisory Panel will review, evaluate and score all of the written proposals received by the Port. Following the submittal process, up to five of the highest scoring Respondents may be invited to interview with the Advisory Panel. Interviews will consist of standard questions asked of selected Respondents, and specific questions regarding individual leasing concept proposals. Port staff will select the most qualified respondent and make a final recommendation to the Port Commission. The Port Commission, in its sole discretion, will determine whether to authorize exclusive negotiations with a selected respondent.

Selection Criteria

The Port will select a Respondent with whom to enter into exclusive negotiations. The Respondent must have the demonstrated ability to deliver a project that meets the Port's Project Objectives.

The Advisory Panel will use the following general criteria in evaluating the written responses to the RFP:

A. Experience and organization of the Respondent's team based on clear lines of authority and assignment of responsibilities, demonstrated responsiveness and decisiveness, and overall qualifications and availability of key individuals of the Respondent's team, economic success of similar ventures, relationships with other similar operators, ability to implement development and or leasing projects quickly and effectively, and ability to work constructively with City and community representatives. **(10 Points)**

B. Experience and reputation of the Respondent based on the Respondent's breadth of experience in public/private or private ventures, quality and success of other retail/restaurant ventures over time, uniqueness of other ventures, and ongoing management of retail/restaurant operations. **(15 Points)**

C. Experience and qualifications of design consultants (engineer, architect, landscape architect, interior designer, etc.) based on their experience on projects with similar site characteristics, reputation for flexibility and responsiveness to public and community concerns, compatibility of designs with setting, especially with nearby historic resources, success in integrating indoor and outdoor settings, and experience with design review processes of the City. **(10 Points)**

D. Quality, uniqueness, and potential for success and successful fit of the use concept based on the type and character of project proposed, targeted clientele, appeal to a diversity of users, compatibility with the neighborhood's setting, augmentation of the Port's rich Northern Waterfront experience and uniqueness and the extent to which the proposed uses would promote the public trust objectives as set forth in the Burton Act and in the Waterfront Land Use Plan. **(15 Points)**

E. Quality of conceptual design for proposed tenant improvements based on conceptual design and space layout, relationship of the design to the Embarcadero Roadway and Promenade, sensitivity to and integration with adjacent historic properties, the minimum amount of alteration to the building exterior, enhancement of views to, from, through and around the building, success in meeting design criteria in the Waterfront Plan and its Design and Access Element. **(10 Points)**

F. Financial capacity and plan of the Respondent based on ability to fund preliminary design and predevelopment costs and ability to raise and commit capital for construction, start up operations, and continuing operations and maintenance. Financial viability of the proposal based on adequacy of projected revenues to support the investment, reasonableness of the cash flow analysis (pro-forma), and proposed capital investment for improvements. Description of Capital Investment: Proposals must include descriptions of proposed sources and uses of capital investments and the anticipated level of proposed capital investment. **(20 Points)**

G. Economic return to the Port based on Base Rent and Percentage Rent proposed by Respondent. Term of Lease based on minimum term required to support cost of proposed improvements and comparable situations in the market. **(20 Points)**

Exclusive Negotiations

Upon Port Commission authorization of exclusive negotiations, the selected respondent will provide a \$30,000 fee to be retained by the Port for a four month period of exclusive negotiations. The Port and the selected respondent would enter into an Exclusive Right to Negotiate Agreement ("ERN") during the period of exclusive negotiations to complete Lease negotiations.

During the period of exclusive negotiations, the following events will occur:

- A Lease agreement and related documents for the lease and development of the Site in a final form approved by the City Attorney's Office will be negotiated;
- The selected respondent will complete its due diligence review of the site, finalize financial projections, and complete preliminary site plans; and
- The selected respondent, with the Port's cooperation, will complete the project approval processes, any required supplemental environmental review pursuant to the California Environmental Quality Act and obtain necessary approvals from regulatory agencies such as the San Francisco Bay Conservation and Development Commission.

Proposed Rent and Key Lease Terms

Subject to Port Commission authorization and upon successful completion of negotiations with the selected respondent, the Port will enter into a lease for the Site, with the following key terms and the additional key terms described in Attachment F.

Rent: Rather than set a minimum monthly rental rate for the Site, the Port is asking Respondents to propose a monthly rate comparable to like situations in the market. Rental adjustments should also be proposed. A period of rent abatement for the purpose of constructing improvements may also be proposed.

If applicable, proposals should include a Percentage Rent payable to the Port on gross receipts for food, beverages and merchandise. Percentage Rent may also be proposed on other revenue streams such as rents from subtenants. The level of percentage rental rate is not being dictated by the Port but should be comparable to like situations in the market.

Premises: The premises is comprised of approximately 20,000 s.f. of interior space located within the Pier 29 Bulkhead Building. The respondent will be allowed to propose the specific configuration of the 20,000 s.f. within the bulkhead building in order to allow the Respondent to maximize the viability and success of the proposed use.

Term: Proposals must include a proposed initial term. Proposals may include option periods, if needed, which should be the minimum length of term practical based on the cost and financing of tenant and building improvements and comparable situations in the market.

Earthquake Vulnerability Study

As reported separately to the Port Commission, the Port is currently in the process of conducting an Earthquake Vulnerability Study of the Northern Waterfront Seawall, a component of the overall effort to improve resiliency of the waterfront by quantifying risks, prioritizing actions, and executing improvement projects. The Northern Waterfront Seawall ("Seawall") stabilizes four miles of historic waterfront stretching continuously from Fisherman's Wharf to Mission Creek. The Earthquake Study is a high level engineering study that will assess earthquake vulnerability, predict damage and economic impacts from a range of earthquake events, develop conceptual mitigation alternatives, and make recommendations for further action and/or study. The information is vital for the Waterfront Land Use Plan Update and to inform Port and City efforts to respond to climate change and sea level rise. A draft of the study and recommendations are expected to be released in 2016. Results of the study may call for further strengthening of the Seawall at or near the Pier 29 Bulkhead Building.

Climate Change and Plan for Sea Level Rise

Repair and re-tenanting of the Pier 29 Bulkhead Building may result in these improvements being placed at risk as sea levels rise over the next decades. The lease

will include provisions to address future flood mitigation measures, should these be needed to protect the property or public safety. During the term of the proposed lease, there is some risk that the maintenance of the substructure of this facility will be more difficult and expensive to maintain. The lease will include provisions requiring the tenant to prepare and submit a plan for addressing these issues due to possible sea level rise.

RFP Schedule

Port staff recommends a competitive solicitation schedule as follows:

Issue RFP	November, 2015
Pre-submittal conference and site tour for prospective bidders	December, 2015
Submittal deadline	February, 2016
Selection of bidder(s) for additional review	March, 2016
Presentation(s) by selected bidder(s)	April, 2016
Port Commission approval of selected bidder	May, 2016
Execution of ERN and lease negotiations	August, 2016
Port Commission approval of lease	TBD
Board of Supervisors approval of lease	TBD

Recommendation

Port staff recommend that the Port Commission approve the attached resolution authorizing Port staff to issue a Request for Proposals for a Retail Leasing Opportunity at the Pier 29 Bulkhead Building, located at Chestnut Street and The Embarcadero.

Prepared by: Mark Lozovoy
Assistant Deputy Director, Real Estate

For: Susan Reynolds
Deputy Director, Real Estate

Attachments

- A. Map of Northern Waterfront
- B. Map of Pier 29
- C. Waterfront Land Use Plan Implementation Process
- D. Building and Site Conditions
- E. Strategic and Project Objectives
- F. Key Lease Terms

**PORT COMMISSION
CITY AND COUNTY OF SAN FRANCISCO**

RESOLUTION NO. 15-41

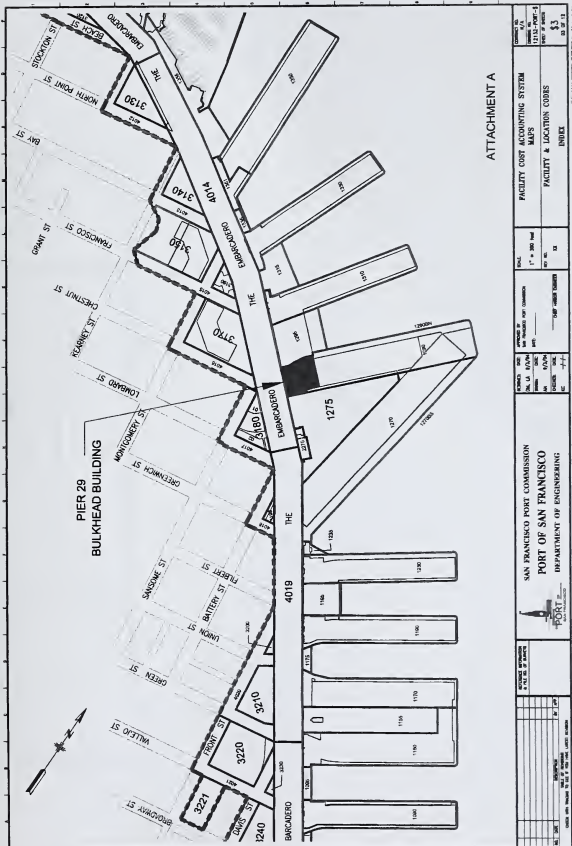
- WHEREAS, Charter Section B3.581 empowers the Port Commission with the authority and duty to use, conduct, operate, maintain, manage, regulate and control the lands within Port jurisdiction; and
- WHEREAS, Reuse of the Pier 29 Bulkhead Building fronting on The Embarcadero is an important next step to support the Port's investment in and use of the James R. Herman Cruise Terminal and Cruise Terminal Plaza; and
- WHEREAS, The Pier 29 Bulkhead Building has been tested as a successful public destination by the Waiheke Island Yacht Club, a temporary "pop up" restaurant which operated during the 34th America's Cup events in summer 2013; and
- WHEREAS, Based on the public's positive response to this temporary use, Port staff envision the Pier 29 Bulkhead Building as a site for a unique destination use that is "San Francisco Bay Area flavored" that will create and draw activity in the environs of Pier 29; and
- WHEREAS, There is currently an opportunity to lease approximately 20,000 square feet of the Pier 29 Bulkhead Building (the "Site"); and
- WHEREAS, Staff proposes to specifically seek uses which focus on creation and sales of arts, crafts and/or dry goods; including artists and designers working out of studio/exhibit spaces; innovators' open studios; galleries; public and other markets; and ongoing exhibitions, cultural and exhibit space, including ancillary space for live demonstrations and displays; and
- WHEREAS, Respondents are encouraged to include a Local Business Enterprise as a partner either in providing specific goods or services such as community outreach engagement and development, operations, maintenance, security or managing the retail or other operations as an actively participating partner of the Respondent and the Port Commission encourages the participation of Local Business Enterprises ("LBEs") and CMD-Certified Small and Local Economically Disadvantaged Business entities in this RFP opportunity; and

- WHEREAS, The Port Commission encourages maximum outreach to LBE's and CMD-Certified Small and Local Economically Disadvantaged Business entities; and
- WHEREAS, Under City and Port policies retail leasing opportunities must be competitively bid unless impractical or infeasible; and
- WHEREAS, The Port Commission wishes to proceed with activation of the Site through a lease for these purposes; and
- WHEREAS, Any such lease would require approval of the Port Commission and the Board of Supervisors; and
- WHEREAS, Issuance of a request for proposals ("RFP") does not commit the Port to proceeding with any lease or lease project, and the Port cannot approve a lease for the project until after environmental review has been completed in compliance with the California Environmental Quality Act; now, therefore, be it
- RESOLVED, That the Port Commission authorizes Port staff to offer the opportunity for the lease and operation of the Pier 29 Bulkhead Building through a competitive solicitation process consistent with Port and industry standards and for the uses and under the terms and conditions set forth in the staff report accompanying this Resolution; and be it further
- RESOLVED, That the Port Commission authorizes Port staff to take further actions in connection with the competitive solicitation as necessary to achieve the purposes described herein.

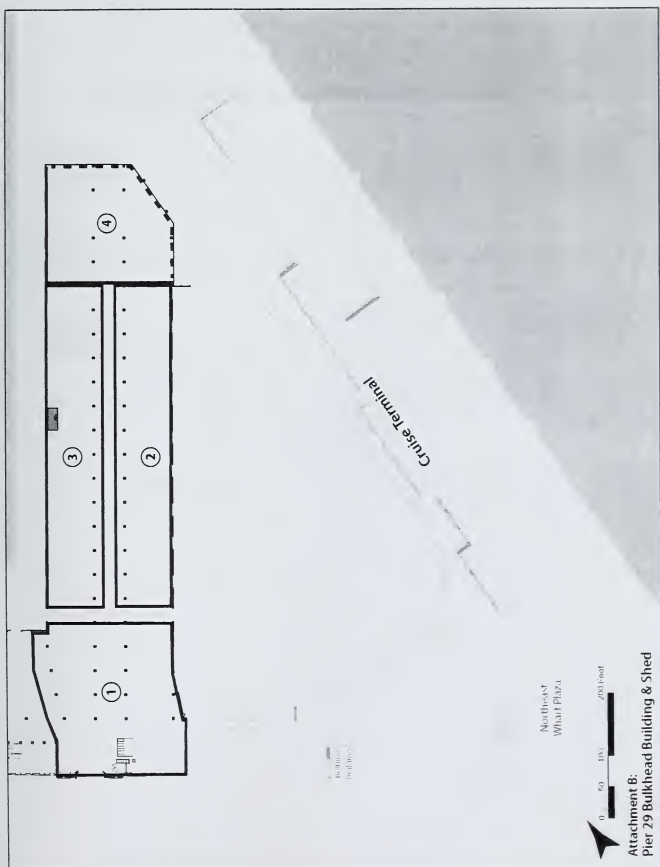
I hereby certify that the Port Commission at its meeting of November 10, 2015 adopted the foregoing Resolution.

Secretary

ATTACHMENT A



Attachment B

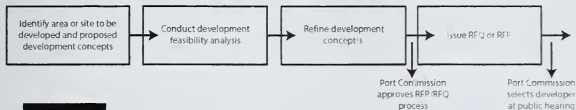


Waterfront Plan Implementation Process

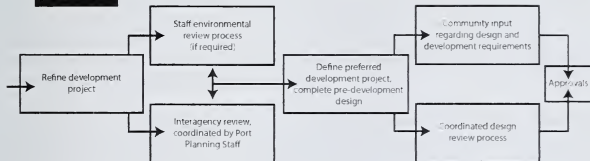
Phase 1

Advisory Group

Members selected by Port to provide input throughout implementation process



Phase 2



Attachment D

Building and Site Conditions

The Pier 29 Bulkhead Building is a timber-framed, pile-supported building fronting on The Embarcadero. It is within walking distance of the Ferry Building, the City's central business district, Fisherman's Wharf, Chinatown and North Beach. The Site is well placed on The Embarcadero Promenade adjacent to the Port's James R. Herman Cruise Terminal, adjoining 2.5 acre Cruise Terminal Plaza and historic Beltline Building. Port staff do not propose to use any portion of the Site for parking and recommend that this solicitation clearly state that there is no dedicated parking at the Site. However, paid parking is available in the Pier 27-29 valley on days when the adjacent James R. Herman Cruise Terminal is not in use or not preparing for a cruise ship call or major event.

The bulkhead portion of Pier 29 was originally built in 1918 and is a contributing resource within the Embarcadero Historic District, which is listed on the National Register of Historic Places. The Site was renovated after a significant fire in June 2012. Alterations to the Site to facilitate future use will require conformity with historic rehabilitation standards and all Port Building Code and Fire Code requirements, including fire suppression and safe exiting.

In keeping with current Building, Seismic and Fire Codes, the portion of the Pier 29 Bulkhead Building available for lease through this process is a maximum of 20,000 square feet with a maximum occupancy load of 100 square feet (s.f.) per person. As such, Port staff envision a single use or a mix of curated uses for the space. The space may be used for one or more distinct operations under a lease with a single user provided the combined uses do not exceed the occupant load factor of 100 s.f. per person. Such use may include a dedicated portion of the space for administrative support, required on-site storage and visitor-serving amenities including required restrooms⁴ as well as supporting food and beverage service within the maximum available square footage and maximum allowable occupant load factor.

Port engineering staff have conducted initial evaluations of the Pier 29 substructure and superstructure. The Pier 29 substructure is 100 years old and consists of reinforced concrete slabs supported over reinforced concrete beams spanning over reinforced concrete piles. Engineering staff have estimated that repairs to the entire substructure of Pier 29 would cost in excess of \$11,000,000. The substructure specific to the 20,000 s.f. at the Pier 29 Bulkhead Building is in 'Fair' to 'Good' structural condition. A percentage of the slabs and beams have incurred concrete spalling and rusting of their

⁴ The Pier 29 Bulkhead Building does not include any dedicated restrooms. Newly constructed restrooms to serve multiple tenants are located in the north side of the Pier 29 Shed, approximately 300 feet to the east of the Site. Additionally, the Port has constructed additional restrooms in the adjacent Beltline Building to support users of Cruise Terminal Plaza

rebar. Due to the existence of the damaged framing, the substructure is rated for 100 pounds per s.f. live load. A condition of the use of this area is a limit of 100 s.f. per occupant load. The Port has committed in its 2015/16 Capital Budget to fund \$2,700,000 in substructure repairs to the marginal wharf underneath the Pier 29 Bulkhead Building. With this investment, Engineering staff believes that the weight load capacity in this area would be increased to at least 200 pounds per s.f. live load. Additionally, the useful life of the substructure in this area would be increased by 30 years.

Piers 27 and 29 substructure decks were seismically strengthened after the 1989 Loma Prieta earthquake using FEMA funds. Piers 27 and 29 substructure decks are up to seismic standards as per current Port Building Code.

The Pier 29 superstructure (i.e., that portion above the pier deck) consists of both the newly rebuilt Bulkhead Building and the attached 99-year old Pier 29 Shed Building. Both structures are framed with long-span wood roof trusses and columns. The Bulkhead Building is in 'Excellent' structural condition. The Shed Building is framed with wood rafters and concrete walls and is in 'Good' structural condition. Neither portion meets current building codes for lateral force requirements. Port's engineers have estimated that the cost of meeting the lateral force requirements with a seismic upgrade to the entire Pier 29 superstructure is \$9,000,000.

Attachment E

Strategic and Project Objectives

Strategic Objectives

The Port strives to enhance the quality of life and economic vitality of the City and the region. As such, the Port continues to work to reinvigorate its historic waterfront assets to enhance these public benefits. Pier 29 represents a unique and valuable asset for the Port. Activation of the Site enhances the Port's recent investments in the James R. Herman Cruise Terminal, the new 2.5 acre Cruise Terminal Plaza and the rebuilding of the Site, following a 2012 fire. Activation of the Site also supports the Port's need to ensure its financial stability in order to address the growing backlog of deferred maintenance and ensure the finger piers' viability for future generations.

Strategic objectives are:

- to activate and enliven the waterfront for public enjoyment without diluting existing Northeast Waterfront uses;
- to return the Pier 29 Bulkhead Building to economic use, generating a significant, on-going revenue stream to the Port's Harbor Fund;
- to provide support services and amenities to cruise passengers, plaza users and visitors to the Port; and
- to reopen a restored historic maritime structure in the Embarcadero Historic District for public-oriented uses that advance understanding and appreciation of Port history.

Project objectives

Port staff believe any future tenancy should take full advantage of Pier 29 Bulkhead Building's distinctive location, the adjacent cruise terminal, adjacent plaza and Embarcadero Promenade and should uniquely activate and enliven the waterfront without duplicating existing uses in the Northeast Waterfront or violating good neighbor practices. To that end, Port staff have crafted the project objectives below to guide future reuse of the Pier 29 Bulkhead Building.

Project objectives are for a use(s) that:

- creates a vibrant people destination serving residents and travelers alike;
- cohesively knits the Pier 29 Bulkhead Building into the northeast neighborhoods and the Bay's edge;
- celebrates and communicates the quality and cultural diversity of the San Francisco Bay Area;
- promotes new technologies and changes in art, culture, society and/or the environment through creative products and inspirational content;
- cultivates innovation, community engagement, and social and environmental responsibility;

- creates community partnerships and serves the Bay Area's diverse populations including consistent business and employment opportunities for local workers and companies during the project's operation as well as design and construction phases;
- is consistent with the policies, standards and design criteria in the Waterfront Plan and the Waterfront Design & Access Element; and
- provides for adaptive reuse of a vacant facility that conforms to the Secretary of the Interior Standards for Rehabilitation and Article 10 of the City's Planning Code and meets all Building and Fire Code requirements.

Attachment F

Key Lease Terms

If the Port Commission authorizes issuance of a competitive solicitation for Retail Leasing Opportunity at the Pier 29 Bulkhead Building, Port staff recommends that respondents be required to indicate acceptance of the following Key Lease Terms, and to make a lease proposal that is consistent with these Key Lease Terms. Actual terms of the Lease are negotiated with a prospective tenant ("Tenant") by Port staff and are subject to final approval by the San Francisco Port Commission and the Board of Supervisors.

Use

Proposals must include a full description of proposed uses, such as: fully detailed description of improvements to the facility, all planned activities within the premises, products to be made and/or sold, and any other extraordinary activities that may be planned for the site.

Premises

The premises shall be comprised of approximately 20,000 square feet of interior space located within the Pier 29 Bulkhead Building. The respondent will be allowed to propose the specific configuration of the 20,000 within the bulkhead building in order to allow the Respondent to maximize the viability and success of the proposed use.

Base Rent

Rather than set a minimum base monthly rental rate, the Port is requiring Respondents to propose a base monthly rate comparable to like situations in the market. Rental adjustments must also be proposed. A period of rent abatement for the purpose of constructing improvements may be included.

Percentage Rent

If applicable, proposals must include a Percentage Rent payable to the Port on gross receipts for food, beverages and merchandise. Percentage Rent may also be proposed on other revenue streams such as rents from subtenants. The percentage rental rate is not being dictated by the Port but should be comparable to like situations in the market.

The higher of the Base Rent or the Percentage Rent would be payable to the Port. In any month in which the Percentage Rent does not exceed the Base Rent, only the Base Rent would be payable to the Port.

Term

Proposals must include a proposed initial term plus option periods, if any, which shall be the minimum length practicably based on the cost and financing of tenant and building improvements and comparable situations in the market.

Capital Investment

Proposals must include descriptions of proposed capital investments and the anticipated level of proposed capital investment.

Form of Lease

The successful Respondent will be required to enter into a lease to be negotiated by and between the Port and Respondent during the period of exclusive negotiations. A copy of the Port's standard form lease is included in the RFP package as Appendix E (the "Form of Lease") as an example of the Port's standard lease requirements. However, the final lease may be substantially different to: a) reflect the business terms negotiated between the successful Respondent and the Port; b) incorporate any City requirements adopted after the drafting of the Form of Lease; and c) incorporate any other provisions desired by the Port Commission or negotiated by the parties.

Sale/Transfer/Refinancing

The Port expects to participate in the proceeds that the Tenant receives from the sale, transfer or refinancing of the leasehold.

Maintenance/Repairs

During the term of the lease, the Tenant shall be responsible for all improvements, maintenance, repairs and operating expenses associated with the Site, including any non-exclusive areas such as access roads, utilities, and general buffer areas.

Possessory Interest and Other Taxes

The Tenant will be required to pay possessory interest taxes on the assessed value of the leasehold interest. The Tenant also will be required to pay other applicable city taxes, including sales and payroll taxes.

Security Deposit

A security deposit will be required in an amount equal to no less than two month's Base Rent in the form of cash.

Insurance Requirements

Throughout the term of the Lease, the Tenant will be required to maintain insurance typical for the approved project in amounts and with limits determined appropriate by the Port, the City's Risk Manager, and with carriers acceptable to the Port. Insurance will include, but is not limited to: comprehensive general liability; workers' compensation; property insurance on the Premises; automobile liability; watercraft liability; personal property; business interruption; builder's risk; pollution legal liability; a policy endorsement in a form acceptable to Port; and any other insurance required by law. The Port and City must be named as additional insureds.

Environmental Deposits

The lease will require two forms of environmental financial assurance designed to protect the Port and the community from liability arising out of the operation of a retail facility:

1. A Letter of Credit (Environmental Performance Deposit) in a form determined by the Port and in an amount sufficient to compensate the Port for any damage it might incur as a result of the tenant's failure to perform its environmental obligations.
2. A \$10,000 Environmental Oversight Deposit which may be used by the Port if the Tenant receives a Notice of Violation or regulatory order and such notice of violation cannot be cured or Tenant cannot comply with such regulatory order within 14 calendar days after delivery of such notice, and the Tenant is not actively working to cure such notice of violation or comply with such regulatory order.

Hazardous Materials

During the "due diligence" period, the respondents may conduct environmental site assessments of the Site. The Port will make existing information about physical and environmental conditions available to respondents.

Operations Plan

All Permitted Uses must be performed in compliance with an Operations Plan approved by the Port detailing environmental performance measures during construction and ongoing operations of the facility under the lease. The Operations Plan must address issues such as; health and safety mitigations during construction, dust control, manage stormwater, handle hazardous materials, recycling of unused materials, janitorial and cleaning operations, food preparation and handling, hours and full description of operations etc.

Assignment/Sublease

The Port will have the right to approve any assignment, sublease or transfer of the Lease, subject to any participation provisions, as described above under the heading "Sale/Transfer/Refinancing".

City Requirements

The Lease will require the Tenant to comply with all City requirements in effect.

The Port Commission is interested in encouraging the participation of disadvantaged business entities in this RFP opportunity. The Tenant will be encouraged to consult with the City's Contract Monitoring Division to determine appropriate methods for promoting participation by disadvantaged business such as Construction Contracting, Trucking and Hauling, Janitorial Services, Food Preparation and sales, and Security Guard Services businesses.

The Port will also require the Tenant to pay prevailing wages in the construction of the project in accordance with prevailing wage and labor standards adopted by the San Francisco Board of Supervisors pursuant to SF Admin. Code Section 6.22(e).

The Tenant will also have an approved Local Hiring Plan as required by SF Admin Code Section 6.22(g) if improvements are in excess of \$1 million.

Community and Good Neighbor Policies

Tenant shall be required to adhere to all Community and Good Neighbor Policies currently in effect and those that may be enacted in the future.

Performance Benchmarks

All documents governing the approval and development of the site will contain time and performance benchmarks, including provisions for payment of liquidated damages, with termination for non-performance.



SAN FRANCISCO PORT COMMISSION

0/15
**NOVEMBER 10, 2015
MINUTES OF THE MEETING**

**MEMBERS, PORT COMMISSION
HON. LESLIE KATZ, PRESIDENT
HON. WILLIE ADAMS, VICE PRESIDENT
HON. KIMBERLY BRANDON
HON. DOREEN WOO HO**

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**MONIQUE MOYER, EXECUTIVE DIRECTOR
AMY QUESADA, COMMISSION SECRETARY**

CITY & COUNTY OF SAN FRANCISCO PORT COMMISSION

MINUTES OF THE MEETING NOVEMBER 10, 2015

1. CALL TO ORDER / ROLL CALL

Port Commission Vice President Willie Adams called the meeting to order at 2:02 p.m. The following Commissioners were in attendance: Willie Adams, Kimberly Brandon and Doreen Woo Ho. Port Commission President Leslie Katz arrived at 2:10 p.m.

2. APPROVAL OF MINUTES – October 13, 2015

ACTION: Commissioner Brandon moved approval; Commissioner Woo Ho seconded the motion. All of the Commissioners were in favor. The minutes of the October 13, 2015 were adopted.

3. PUBLIC COMMENT ON EXECUTIVE SESSION

4. EXECUTIVE SESSION

A. Vote on whether to hold closed session.

ACTION: Commissioner Brandon moved approval; Commissioner Woo Ho seconded the motion. All of the Commissioners were in favor.

The Commissioners withdrew to executive session to discuss the following:

- (1) CONFERENCE WITH LEGAL COUNSEL REGARDING EXISTING LITIGATION MATTERS (Discussion Items):
 - a. Discuss existing litigation matters pursuant to California Government Code Section 54956.9(a) and San Francisco Administrative Code Section 67.10(d):
 - *Corinne Woods, Michael Theriault and Tim Colen, petitioners and plaintiffs, v. John Arntz, in his official capacity as Director of Elections of the City and County of San Francisco, and City and County of San Francisco, respondents and defendants, and Rebecca Evans, real party in interest*; San Francisco Superior Court (Case No.: CPF-14-513503 filed February 14, 2014)
 - *California State Lands Commission, petitioner and plaintiff. v. City and County of San Francisco, et. al., respondents and defendants*; San Francisco Superior Court (Case No.: CGC-14-540531 filed July 15, 2014)

- (2) CONFERENCE WITH LEGAL COUNSEL AND REAL PROPERTY NEGOTIATOR – This is specifically authorized under California Government Code Section 54956.8. *This session is closed to any non-City/Port representative: (Discussion Item)
- a. Property: Pier 1, located at the Embarcadero & Washington Street
Person Negotiating: Port: Jay Edwards, Senior Property Manager, Real Estate Division
Negotiating Parties: AMB Pier One LLC: Steve Lueck, Senior Vice President, Prologis

5. RECONVENE IN OPEN SESSION

At 3:15 p.m. the Commission reconvened in open session.

ACTION: Commissioner Brandon moved approval to adjourn closed session and reconvene in open session; Commissioner Adams seconded the motion. All of the Commissioners were in favor.

ACTION: Commissioner Brandon moved approval to not disclose any information discussed in closed session; Commissioner Adams seconded the motion. All of the Commissioners were in favor.

6. PLEDGE OF ALLEGIANCE

7. ANNOUNCEMENTS: The Port Commission Secretary announced the following:

- A. Announcement of Prohibition of Sound Producing Electronic Devices during the Meeting: Please be advised that the ringing of and use of cell phones, pagers and similar sound-producing electronic devices are prohibited at this meeting. Please be advised that the Chair may order the removal from the meeting room of any person(s) responsible for the ringing of or use of a cell phone, pager, or other similar sound-producing electronic device.
- B. Announcement of Time Allotment for Public Comments: Please be advised that a member of the public has up to three minutes to make pertinent public comments on each agenda item unless the Port Commission adopts a shorter period on any item.

8. PUBLIC COMMENT ON ITEMS NOT LISTED ON THE AGENDA

9. EXECUTIVE

A. Executive Director's Report

- Launch of @SFPort Digital Newsletter – October 30, 2015
Monique Moyer – It is with great pride that we have issued our first quarterly, digital newsletter titled @SFPort. It was issued on October 30,

2015. It went out to about 5,000 recipients. We're just getting our feet wet and looking forward to getting it out to multiples more and hoping all of you will help us develop our mailing list and our outreach with it. The digital magazine allows us to be externally focused and give updates on articles of different things that are happening. Maybe project updates, which we spend a lot of our Port Commission meetings talking about the Land Use side of our business, but in fact we have a very robust Operations side and Maritime side. It gives us a chance to showcase not only our capital projects but our Maritime operations, talk about the Port's history -- which is very long and very complicated -- talk about Port tenants, highlight special events that are coming forward and just generally engage with the public. Our very first issue, which got a lot of great feedback to date, had a wonderful article titled, "What is a Seawall?" That seemed to resonate with a lot of people who wanted to know more about the Seawall. We've been talking a lot about the Seawall lately and I often get asked, "What is a Seawall?" so the article was very timely.

It gave us a chance to welcome officially the South Beach Harbor and the staff there to the Port. It gave us a chance to introduce more broadly our Waterfront Land Use Plan Update process and the Working Groups and Advisory Teams. It gave us a chance to highlight one of our newest tenants at Pier 33½ by the name of Surface Design. I'm not going to tell you more about them because I hope you've either read it or you will read it and get to learn more about them.

@SFPort comes out every quarter. If you get a chance to send us your names of people you'd like to have it sent to or forward it on or connect with us on Facebook at the Port of San Francisco or on our web site at www.sfport.com, we would welcome being in contact with you.

- Update from California Fish & Game regarding Status of 2015 Crab Season

As most of you have heard through the media, the California Department of Fish & Wildlife has put on hold the launching of the California Dungeness Crab Season. Officially the commercial crabbing season begins November 15, 2015 and today is only November 10, but it is very clear that date is not likely to be the date by which the season launches.

On November 6, 2015 the Department of Fish & Wildlife informed recreational crab fishermen and rock crab fishermen that they were not to be fishing due to a growth of algae coming out of what is believed to be the warmer waters that are indicative of an El Niño type season. These warmer waters are creating an algae base which is creating a toxin that they're seeing in marine life. It hasn't been seen yet affecting any human life, but the Department is testing for it and has indefinitely put on hold the commercial and the recreational crab and rock crab seasons. They're

testing fairly regularly and in all likelihood the season can launch and the fishermen can even go out further into the ocean and get past where the algae seems to be predominant.

The California Dungeness Crab industry is worth about \$60 million annually so it is a fairly sizable industry to California. We have fishermen who come up from as far away as Alaska. They are already in Port. We have 40 local boats and 10 visitor boats for a total of 50 boats. Last year we were triple tied and we had approximately 75 boats at the high point of our season. The word is out, although we still are seeing boats arriving. They're hopeful that the season could start as early as December 1st. We're monitoring this very heavily. The change in weather could cause a change in the situation. It's possible that the boats could be sent out further into the ocean and be able to proceed as planned.

Obviously this is also having an effect on our local restaurants. Crab is still available in our local restaurants. It just won't be the California Dungeness Crab that is caught here right off of our immediate coastline. We will keep the Commission updated. We are very hopeful for the well-being of our fishing community and for our season, and as much as we are hopeful for El Niño type rains for the drought in California, we're monitoring the effects of that already.

- Ghost Ship at Pier 70 – October 31, 2015

This was the annual Ghost Ship event. As you may recall, beginning in 2013, Forest City, our partner for part of the waterfront portion of Pier 70, started partnering to open up Building 12 at Pier 70. Building 12 hasn't been open to the public since 1941. Beginning in 2013, they started hosting events and one of the first events was the Ghost Ship Productions brought Ghost Ship Halloween to the site. It happened again on October the 31st. It was a daytime event, from noon until dark on Saturday, October 31st. It was a big event for families including some pets, but not necessarily by design. All told counting the entertainers and all the people who came out, 25,000 people came out, 2,000 of which were kids. We're very pleased and applaud those events. We continue to work with Forest City and their partners to make sure events at the Pier 70 site are both community friendly and a great way to showcase these buildings and open them up to the public and the community.

- Waterfront Plan Update: Waterfront Vision Workshop - October 19, 2015 and Boat Tour - November 1, 2015

On October 19, 2015 Commissioner Adams and I and members of the Port staff held a Waterfront Plan Update at the James R. Herman Cruise Ship Terminal at Pier 27 and then on November 1st, there was a Boat Tour. The Waterfront Vision Workshop which was held on October 19th was a way of letting the public come and talk to the Port and the Port staff

and the Advisory Group members about what they would envision for their Port, what they would like to see.

Thank you Commissioner Adams for your participation and your words were very well received by all involved. For the Commissioners that weren't able to attend, I want you to know that Commissioner Adams told everyone in the room that he was going to be taking regular attendance and making sure that people were participating. I assume that he will be true to his words. It actually was very well received. People enjoyed the fact that Commissioner Adams was going to be making sure that they were participating.

About 80 people came to that particular workshop, and we were able to create a video. A video of the workshop is online at SFPort.com/wlup (Waterfront Land Use Plan). On November 1st there was a Waterfront Boat Tour. It sold out quickly and 160 people went out on a wonderful tour of the Port's seven and a half miles of waterfront. The tour was narrated by our own Diane Oshima, Peter Dailey, David Beaupre and Eunejune Kim and was extraordinarily well received.

We want to give special thanks to WETA and the Blue & Gold team who provided us with a boat complimentary and then as the crowd began to show interest, upgrade the boat so we could accommodate even more people. It was very gratifying to see the wonderful interest and the weather held off just long enough so that everybody got to see first the Northern Waterfront under the blue skies and then as it clouded it up, they went to the Southern Waterfront and got to see the Port from the water side, which not many people really do. Even those that take the ferry don't really stop and take a look at the Port from that vantage point.

It was extraordinarily well received. We are hoping to do it again as part of a Maritime Day later this coming spring. We invite everyone who hasn't had a chance to do it to come out and join us. The next Waterfront Plan Land Use event will be on November 17th from 6:00 to 8:00 PM at Pier 1. This will be a meeting on governance and other issues and Commissioner Woo Ho will be one of the speakers.

- Veterans Day Parade – November 8, 2015

As widely reported, Veteran's Day Parade was held in Fisherman's Wharf this past Sunday, November 8th at 11:00 AM beginning at North Point and the Embarcadero. For the last 96 years, there has been a Veteran's Day parade and it has always been on Market Street. The promoters, the Veterans of Foreign Wars Parade Coordinators, wanted to host it a little bit more accommodating to spectators so they chose Fisherman's Wharf and it turned out to be a great success.

In addition to a number of patriotic observers, many who drove in long ways to be part of the parade, they also captured the regular tourist base

that is in Fisherman's Wharf. There were regular patriotic observers side by side with our visitors and people were scooping their clam chowder out of sourdough bread bowls and gripping small American flags and celebrating our Veterans as they did it. I can't think of a more San Francisco way to celebrate our Veterans. It was a great success and we are very thankful to the Veterans of Foreign Wars coordinators for choosing Fisherman's Wharf.

- Report on the American Association of Port Authorities Annual Convention in Miami, Florida – November 1 to 4, 2015

Last week, I had the pleasure of representing both the Port of San Francisco and the California Association of Port Authorities at the American Association of Port Authorities Annual Meeting in Miami, Florida and it was a very interesting event. An extremely good turnout, there are now approximately 132 member ports of the American Association of Port Authorities ranging through both Americas.

The overwhelming theme of the conference had to do with the fact that the general public has a very hard time understanding the value of ports and what the ports mean to their economies as well as to how they touch their lives on a daily basis. In the United States, probably 96% of all goods come through ports, by water first and then by land. A lot of the conference talked about what that means and how ports can be better communicators of the value that they bring to the overall community, very much akin to the conversations that we've been having with you Commissioners but also with many of our stakeholders and is front and center through the Waterfront Land Use Plan.

We heard keynote addresses from Adam Goldstein of Royal Caribbean, who talked a lot about what is happening in the cruise industry, particularly the amazing growth of China as a cruise marketplace. We also heard from Captain Chip Jaenichen who is the Administrator of the Maritime Administration who was terrific, who talked about the Maritime Administration's new Strategic Plan they are about to publicly launch in a couple of weeks and what that means in terms of ports being able to keep up with the needed infrastructure investment in order to keep all of these goods moving and services being provided and being globally competitive.

It was a very good conference. I was very pleased to be able to represent both the Port of San Francisco and the California Association of Port Authorities. Then we had a very engaged Port Directors only conversation on the ability to attract people into the Maritime industry and particularly to attract them into Port Director jobs and it was noted that the industry is having to go out of the typical bounds of Maritime to seek new Port Directors as was the case with the recent hire in the Port of Long

Beach where the new Port Director formerly came from a venture capital firm and before that from Federal Express.

There were lots of issues, none of which were new to the Port of San Francisco but it was very good to be part of the conversation and to share widely our experiences. My hotel room looked out on the Port of Miami's Cruise Terminals where I had the pleasure of seeing eight or nine ships during my stay taking off from the Port of Miami. I had a little bit of cruise envy, but other than that it was a wonderful trip.

- December 8, 2015 Port Commission Meeting – Venue changed to James R. Herman Cruise Terminal at Pier 27

Our December 8, 2015 Commission meeting will be held offsite per the request of the Commission. At long last Commissioner Adams, we are hosting it at the James R. Herman Cruise Ship Terminal. Some of our neighbors and friends in the Northern Waterfront are particularly gratified that we're going to be able to meet up in the Northern Waterfront. The December 8th Commission meeting will be on our regular day at our regular time of 3:15 p.m. but it will be at an offsite location at the James R. Herman Cruise Ship Terminal at Pier 27.

- Report on the 16th Friendship/Sister Ports Conference in Shanghai, China – October 26-29, 2015

I wanted to report that in addition of going to Miami, I also had the honor of travelling to Shanghai, China to represent the Port in our Sister Ports Conference. The member ports that attended were Shanghai, San Francisco, Le Havre, France, Osaka, Japan and Melbourne, Australia. The Port of San Francisco has other Sister Ports who are not part of this particular community. In this case, Shanghai as the host brought in all of their Sister Ports.

We were honored to participate also in another conference that they had as well, but I will defer that conversation and update to Commissioner Katz during the Commissioners' Report.

B. Port Commissioners' Report:

Commissioner Katz - As Executive Director Moyer pointed out, I was able to attend the Sister Ports Conference in Shanghai along with Maritime Director Peter Dailey and Executive Director Moyer. It was extremely well produced.

It was a demonstration of the importance that our Sister Ports and particularly the Port of Shanghai place on this conference. It started off with a session actually where the Vice Mayor of the Shanghai Municipality came to meet with some of the key attendees of the conference. I won't list everyone that attended. It was sort of a pre-conference meeting, but it was very

significant, ceremonial and it highlighted the relationships of the key Sister Ports.

As I mentioned, the Vice Mayor, the Director General of the Shanghai Municipal Transportation Commission which was the host for the conference, the President for the China Shipping Lines amongst many others, but their international, the Vice President of the International Port Group. As Executive Director mentioned, it was actually two conferences rolled into one.

The first day was what was termed, "The Fourth Pacific Ports Clean Air Collaborative Conference." I was heartened to see the broad participation in this conference. I think a recognition of the impact that the shipping industry has on our air quality and the significant efforts that are now being undertaken and a point of discussion in terms of how to try to ameliorate some of those impacts.

We also had representatives in attendance not only from the consulate in China but from the U.S. EPA. We had Penny McDaniel who's the Co-Director of the U.S./Asia/Pacific Ports and Manager of the West Coast Collaborative, the EPA, as well as the Regional Administrator Dennis McLerran for the U.S. EPA, as well as key representatives from many of our Sister Ports from the conference and also our Sister across the way, Oakland and Los Angeles in Southern California.

The focus was how to increase use of electric vehicles both on shore and then a reduction in the combustion engines and there was quite a reference to the fact that it is a global community now. Many talk about the impact on the air quality that comes from China, but they are at least at the conference, there was definitely a recognition of not only that impact but how to take significant steps to try and improve the emissions.

There was a big focus on new environmental regulations, alternative shore power, alternative marine power and electric vehicles. A significant discussion from many of the speakers on Liquefied Natural Gas (LNG) or as many others refer to as Green Maritime.

There was a bit of focus on IOT or the Internet of Things and SmartGrid and they called it "SmartPorts." Using the technologies to improve logistics, reduce emissions just in terms of diminishment of vehicle runs and that sort of things.

The Sister Port conference was held the following day. There was a focus of that conference on the trends towards mega ships which luckily we won't have to deal with too much of that other than some of the increase size that will come with some of the new cruise ships. Everyone is grappling with, "How do you handle these mega ships coming in?" The emissions, how that

impacts the shipping, etc.? There was more of a discussion of SmartPorts and SmartCities and how to accommodate this and have that improvement.

There was a discussion of performance standards, what metrics can be used to improve standards, logistics, nautical technology, how to have better and improved navigation.

As part of the prior day, virtually every one of our Sister Ports highlighted their efforts in terms of Green Port Development, LNG sustainability practices, shore power, the micro grids, Internet of Things. I presented generally on what's happening in terms of Port of San Francisco and what we face, which is somewhat similar to the Port of Melbourne faces more so than anybody else, in terms of some of the same challenges, being in an urban setting and having the diversity of uses along the Port there.

Peter Dailey presented on our new Cruise Ship Terminal which was clearly the envy of the conference and we made sure that if it wasn't, they knew absolutely how fabulous it was and became that later. It was a great opportunity to renew some of our contacts with our Sister Ports to see what the common problems that all are struggling with and facing, some of the solutions that have come forward.

San Francisco has a level of respect, probably more so than just about any of the other ports there. I won't go into all the presentations that were made, but the Port of San Francisco, the Port of Le Havre, the Port of Osaka, and the Port of Shanghai all participated in the Sister Port conference. Seeing those relationships get further cemented was also a highlight.

On a totally different note, the San Francisco Ballet happened to be in Shanghai the night before the conference started so we were able to help welcome the San Francisco presence in Shanghai which was very well received with a little meet and greet with some of the representatives from the corps and community and business leaders that had come over from San Francisco to be in Shanghai. They highlighted that the Port of San Francisco was there and really gave us a very warm and gracious welcome.

Commissioner Adams - After going to the opening night at the James Herman Cruise Terminal of the Waterfront Vision Workshop, I want to thank Diane, Brad and Byron. It's kind of funny that when you get a mixed group of people from the community, people come in and it's just like life. Everybody has their own agenda and that's just how life is. People have their own agendas and sometimes just their agendas but to show the passion that everybody had and to get beyond your own agenda and hope you may still get it accomplished but yet work with other people to do what was best for the Port.

That was laid out that night that, "We've got to work together. We know you might have your agenda but the best agenda is for the whole community to

try and make this work." Diane and Brad, thank you. I know it's going to be an on-going thing but I really appreciate that and you've got a lot of people like that but I know it's going to work. I just wanted to thank you guys.

I also wanted to say that I had gotten a text last week and I shared it with Director Moyer from Stefan Borzone. Stefan is the President of Metro Cruises and they run the cruise to James R. Herman Cruise Terminal. Several months ago, we were getting a lot of bad customer complaints about the union down at the Cruise Terminal and that's unacceptable. You can't be rude to people when they get off the cruise ship.

Working with my union, we did a check up from the neck up. Now I got a text from Stefan, and he was in Seattle last week with the head honchos of Princess Cruise Lines and Peter Dailey got it. He said, "Now since that attitude is happening, and some discipline down there, they're getting the highest marks in the United States for our Cruise Terminal." It was us working together. Sometimes you've got to just have painful conversations with people. Harry Truman said it best, "The hardest thing to do is to tell a friend, No." Sometimes you've got to tell people when they're out of line, no matter how close they are to you. You've got to get that attitude together. Because the first thing that people see when that cruise ship comes in are the workers. You go to work. You do your job. You have a good attitude.

We want people to come to San Francisco. We want other cruise lines to come into San Francisco. You can work years and have a good reputation but once you get a bad reputation, it can take years to restore that.

I think we're on the right foot. I hope that other cruise companies will consider coming into San Francisco. We have the best facility in the world. I think we have the best brothers and sisters down there working and we have so much to offer. I just wanted to publicly say that because that needed to be said.

Commissioner Katz - Thank you Commissioner Adams for stepping in and stepping up on that and obviously your leadership was really demonstrated in the success that we're seeing there. On behalf of all of us, thank you for what you've done to ensure that collaboration.

Commissioner Brandon - Last week I had the opportunity to attend our Annual Community Advisory Committee Breakfast. It was so great to see the staff, the Advisory Committee members, tenants and other partners interacting and sharing ideals. It was a great turnout, and I think everybody had a good time. I made the mistake of saying to someone, "Oh, we need to do this more often." He said, "Oh, no. Once a year is fine." Thank you for continuing that tradition.

10. CONSENT

- A. Request authorization to advertise for competitive bids for Construction Contract No. 2776, Five Year Maintenance Dredging Project. (Resolution No. 15-39)
- B. Request authorization to advertise for competitive bids for Construction Contract No. 2764, Quint Street Lead Reconstruction Project. (Resolution No. 15-40)

Commissioner Brandon – I'd like to make a comment and I don't want to take the item off the agenda. I have a really hard time voting on a \$28 million contract with no LBE inclusion. I hope that the Port staff does everything it can to include some Local Business Enterprise.

ACTION: Commissioner Brandon moved approval; Commissioner Adams seconded the motion. All of the Commissioners were in favor. Resolution Nos. 15-39 & 15-40 were adopted.

11. PLANNING & DEVELOPMENT

- A. Informational presentation on the San Francisco Public Works' department request for proposals for public toilets and advertising kiosks.

Dan Hodapp, Port's Planning and Development Division - I'm here to speak to you about the Department of Public Works' Request for Proposals for automatic public toilets. In 1997, the Department of Public Works and the Port entered into an agreement with the JCDecaux Company where Decaux placed 25 restrooms on City property and maintains those in exchange for selling advertising on 114 kiosks throughout the city.

Four of those 25 restrooms and nine of those 114 kiosks are on Port property. They're all located north of the Bay Bridge, starting at about Harrison Street and working their way through Fisherman's Wharf. There is a revenue component associated with this contract. Last year the Port received about \$32,600. The contract is set to expire in January 2017. Public Works hopes to continue and improve this service through a new contract and recently issued an RFP to eligible contractors.

The existing contract with JCDecaux has been a success in many ways providing a valuable public service through its attractive street furnishings and the provision of public toilets. However, within the existing service, there have been some problems. Examples include people staying too long and using the toilets for illegal activities and the current allowance of letting a single user occupy the toilet for up to 20 minutes results in a relatively low capacity of usage which may not match some areas of the city or the busy waterfront spaces.

Joseph Thoppil from Public Works is the Project Manager for this RFP and upcoming contract and is here to provide a complete description of the changes and features that are being requested. The project does affect Port properties in that the new contract would likely include replacement of all existing facilities in the city in their current location -- four toilets and nine kiosks on Port property -- and ask for expansion of the program by doubling the number of toilets within the city from 25 to 50. The Port is a candidate for receiving more of those. The number of kiosks would not go up.

This item would return to the Port Commission with a selected contractor and contract. The Port Commission would approve locations of facilities and items in the contract that are pertinent to Port facilities. With that I'd like to introduce Joseph Thoppil from public Works for his presentation and his colleague, Carla Short.

Commissioner Katz - I just want to thank Fuad Sweiss for being here earlier. I know he had to leave.

Joseph Thoppil, representing Public Works - Public Works has been working with other City agencies, Port staff, Department of Technology, Planning Department, City Attorney and MTA to initiate the RFP selection process and Dan Hodapp from the Port has also been actively participating in our toilet and kiosk group.

The goal of Public Works is to keep the general requirements of the contract as open and as broad as possible to encourage competition and get as many bidders as possible. As we progress along, we will work with all the other agencies. We have kept plenty of room for making changes and addendums as needed. We're also going to be asking for LBE participation for some of the subcontractors that the vendor may be choosing.

When the agreement was originally signed, it was 20 years ago and a lot has happened since then. We have some new requirements that we've added which is 50% of the toilets be staffed to prevent problems and increase maintenance. We have sharp containers and dog waste containers that we are requiring for maintenance and lighting to increase safety for the patrons. Surrounding sinks to wash hands. Solar panels and we're exploring cell phone charging stations and options for people with disabilities.

We're also requesting steam cleaning of the exteriors of the toilets and surrounding areas within 10 feet and that the toilets be securely locked, especially the staffed locations during non-business hours so that illegal activities can be prevented.

We're also looking to bring in additional revenue to the City and flexibility to relocate the toilets and also incorporate feedback from other departments. Commissioner Brandon - Thank you very much. This is just out of curiosity. What happens after five minutes?

Joseph Thoppil - Usually what happens is the person that's manning the staffed toilet will gently knock and tell them that the five minutes are up and they should be coming out pretty soon. If they don't, after a certain point, the person will take some action.

Commissioner Brandon – What about the non-staffed facilities?

Joseph Thoppil - The non-staffed ones will be limited. Currently there's a 20 minute time limit. The way the toilets are designed is you push a button and then it opens a door and then you go in and you use it for 20 minutes. When you come out, there's a sensor that senses that you're coming out. What happens is there's a self-cleaning in process. There's a little display that indicates that, "Self-cleaning is currently in progress." After the self-cleaning is completed, the next party can go in that's in line. It would indicate, "Open for the next party."

Initially when the toilets were installed years ago, there was a coin system where you put in a coin and then it opens the door. We've eliminated the coin system. With the current toilets, you just push the button and it opens and you go in. The problems that we've been experiencing are sometimes tourists from outside San Francisco that don't know, when one person comes out and they see the door opening, they don't read the sign and they go in and then the self-cleaning happens, so there's confusion. They don't know what's happening.

Commissioner Brandon – If you go over the five minute limit, the self-cleaning will just start.

Joseph Thoppil - Yes. It's currently a 20 minute thing. There's a sensor that senses when the party is done and the self-cleaning starts.

Commissioner Brandon - In the new contract, you're limiting it to five minutes not 20 minutes.

Joseph Thoppil - We're limiting both the staffed and non-staffed locations to five minutes.

Commissioner Brandon - How do you decide which ones will be staffed and which won't?

Joseph Thoppil - We're looking at the areas that have the most requests for removing feces and removing urine from the Public Works request for steam cleaning and then based on that, we're going to be making decisions.

Commissioner Brandon - What's the difference between a toilet and a kiosk?
Joseph Thoppil - A kiosk is the column, gazebo type thing that's installed and some of them have newsstands inside and they have vendors selling stuff

and those kinds of things. Some of the kiosks are just columns for display advertising and other things like that.

Commissioner Brandon - Is there a CMD goal with this contract?

Joseph Thoppil - We're working with CMD and we're looking at approximately 30% goal but it hasn't been finalized.

Commissioner Brandon - But it will be part of the RFP?

Joseph Thoppil - That is correct.

Commissioner Woo Ho - I am familiar with JCDecaux because I've actually used the kiosk advertising in a previous corporate life. What I want to understand is, are they going to be taking their facilities out if they don't win the contract for renewal or are the existing facilities staying and there will be a new operator. I want to understand what's happening with the physical equipment.

Joseph Thoppil - Yes, the current contract states that if the JCDecaux does not win the contract, they have to remove the existing property completely and then pave over it and bring it back to standard conditions and then the next winner will come and prepare facilities. We actually have the option of working with them any way that we want.

Commissioner Woo Ho – At least 20 years ago, with the self-cleaning features, etc., that was an innovative thing but today there could be some other company that could do it just as well. The design of these was supposedly somewhat tasteful and they still survived after 20 years. If they're maintained properly, at least from the exterior, they are still sort of tastefully designed to fit in and that is a consideration to fit in with the city.

Joseph Thoppil - Yes. We're keeping all our options open and we're also considering new designs.

Commissioner Woo Ho - There could be a total change out of equipment or if they win the contract, they may upgrade it or do something with it.

Joseph Thoppil - That is correct.

Commissioner Woo Ho - Generally speaking, has this self-cleaning really worked? Does it work all the time? Is it reliable?

Joseph Thoppil - Yes. It's reliable if people do not purposefully and knowingly destroy the thing.

Commissioner Woo Ho - Because that was one of the biggest issues was how do you keep the facilities clean?

Carla Short, Public Works Department - One of the challenges that we've found is in the areas where there is high use or high vandalism rates, then the self-cleaning facilities don't work very well, because they can get jammed as people are taking shopping carts into these facilities. Any number of things can happen. In areas where we don't have high volume and there aren't high vandalism rates, the self-cleaning has proven to work fairly well.

Commissioner Woo Ho – How long does it take for the toilet to self-clean?

Joseph Thoppil - It's approximately two minutes.

Commissioner Woo Ho - People don't want to wait 20 minutes for the next available toilet. That's too long a wait.

Joseph Thoppil: Correct.

Commissioner Katz - For the record, I'm recusing myself from this discussion.

- B. Direction to staff to work with the Office of Economic and Workforce Development and the Planning Department to create a parking management strategy that would consider the use of Port property at 19th and Illinois Streets and a portion of the Western Pacific property north of Pier 80 for overflow parking available for the proposed Golden State Warriors mixed-use arena project at Mission Bay South, if approved. (Resolution No. 15-42)

Phil Williamson, Senior Project Manager with the Port's Planning and Development Group – I'm here before you today to discuss parking sites in the Port's Southern Waterfront and the potential to develop those sites to generate Port revenue.

In April 2014, GSW Arena LLC, an affiliate of the Golden State Warriors announced their intention to move planning efforts for a new Event Center from Piers 30-32 on Port property to private property in the Mission Bay area, specifically blocks 29-32 in the Mission Bay South Redevelopment Area.

In this location, the Warriors could own the land outright and have since purchased the property that we will be reviewing in a second. They will save costs and limit delays associated with regulatory approvals developing over the water.

Today, you're being asked to consider a resolution that will identify two Port sites to serve the Warriors' Arena and neighborhood parking needs. Specifically, 250 spaces at 19th and Illinois Street, serving the Dogpatch, Potrero and the Arena areas, and up to 800 satellite parking spaces on the Western Pacific site, also known as the WP site just north of Pier 80 in the Port's Southern Waterfront.

Today you are also asked to direct Port staff to create a parking management strategy, plan of finance and identify parking operators for these sites, to complete necessary environmental review, and to include on our findings in the Port's 10-year Capital Plan going forward. I want to point out that the revenues from these uses would stay with the Port, as do all Port parking lot revenues to date and the uses that we will be discussing and presenting today do not impair Port operations today or Public Access or planned development for these locations.

By way of reference, here's a map of the larger Southern Waterfront area, starting in Mission Bay and going all the way down to Pier 80. You can see the new proposed Arena site at the southeastern part of the Mission Bay development. You can also see the two sites that we will talk about in more detail. Site 1 is in the Pier 70 area at the terminus of 19th Street at Illinois Street, and the other site is located just north of Pier 80.

The new Arena project in Mission Bay has certain parking demands that are believed to be met in the surrounding neighborhood and on site. Under certain peak conditions however, the parking cannot accommodate all of the projected Event Center parking demand. As a result of that awareness, Port of San Francisco staff have discussed with the Office of Economic and Workforce staff the cost benefits and feasibility of developing two undeveloped Port properties for use as surface parking lots to serve the Event Center under certain conditions commencing upon its completion and open to use in the fall of 2018.

A parking use is already in place at one of these sites and is contemplated for the other site as well. First focusing on the 19th Street and Illinois Street site, the slide shows the greater Pier 70 area and the Pier 70 Land Use Plan that the Port is pursuing going forward. At the foot of 19th Street is a 2.6 acre site. Approximately two acres of that site is the parking area we're talking about today.

Here's another slide that shows the lot at 19th Street and Illinois Street at the bottom left, again identifying it as a 250 space, paved surface parking lot. This site could serve the neighborhood parking demands that we know exist today as well as possibly all events at the Event Center. It is within walking distance, approximately a five or 10 minute walk to the Event Center to the north and the site is currently vacant. Monthly revenue from this site for existing daytime use and for proposed and planned evening uses at the Arena is estimated at \$43,000 per month.

The second site is at the WP site south of the Arena, approximately one mile and just north of Pier 80. This site is currently graded, it's approximately 8.7 acres in size and a portion of it is already being used, as you can tell from these pictures, for truck staging and marshaling for events at the Moscone Center. This site would only be used for parking at Arena events that are larger events of 12,500 people attending or more, when those events

happen at the same time as an event at AT&T Park. Based on schedule analysis, that looks to happen approximately nine times per year. This lot would have a very limited use as contemplated for parking. Again, approximately nine times per year.

Here's a good graphic that shows the location of the Western Pacific Parking site in relation to Pier 80 to the south. The site is outside of Pier 80 and not currently used for Pier 80 activities. Its use does not impair any of the activities currently or planned for Pier 80.

We are working with the Office of Economic and Workforce Development to create a parking strategy, Port staff would analyze the cost to develop these two sites and their respective revenue potential for inclusion in our Port Capital Plan going forward. After obtaining all required regulatory approvals, including any required environmental review, working with the staff at the City Planning Department, the Port staff would operate the sites through a parking lot operator subject to Port Commission authorization.

As is the case with other Port parking facilities along the waterfront, the Port would receive all net parking revenues from the site. Port staff recommend that the Commission direct staff to create a parking management strategy and a plan of finance and perform an environmental review for an approximately 250 space surface parking lot near 19th Street and Illinois Street to serve the neighborhood and possibly events at the Event Center and a site up to 800 spaces of surface parking at the Western Pacific location just north of Pier 80 for certain events at the Event Center.

That concludes my presentation. I'm joined today by Adam Van de Water from the Office of Economic and Workforce Development as well as Joy Navarrete from City Planning Department and we're available to answer any questions you may have.

Chris Haas - I'm the Director of Operations for a small restaurant group in Mission Bay. I'm here for myself as well as the small business owner, my boss, Mr. Velon Grechefski. He's been a community member in Mission Bay for about eight years.

Velon's actually been with UCSF for 15 years, going back to their Parnassus campus, but opened the first Open to Public business in Mission Bay when UCSF expanded their campus out there. He's had a pretty first-hand view and vantage point through himself and his businesses of the development of the region and the area.

We're involved in this because the Warriors went out of their way to go around and reach out to businesses and members of the community in Mission Bay and have them come out and meet several weeks ago to run through and explain the process and plan that they have in place to go through executing the Arena program they have. They were very forthcoming

and asked a lot of questions and feedback from us and have shown a lot of pro-activity in finding the best way to get through this process which I know is a complex one.

This is just one step in the overall program but I can say that from where we've sat with our businesses, you can see that the traffic is already intense South of Market and South of AT&T Park in Mission Bay and that shows no sign of slowing as the real estate down there is only increasing in value both practically and fiscally.

The space that the Arena is going into is going to be developed by someone. Salesforce was previously looking at the space and had a 2 million square foot office space they were looking at putting in which would bring in thousands of workers on a Monday through Friday daily basis to compete with regular commuters who are already going to UCSF and the other businesses in Mission Bay right now.

One of the huge benefits of an Arena or event space is that most of the commerce done there will be done at night time so it won't conflict with existing traffic patterns which seems to have obvious benefits and that's pretty big.

As far as the Warriors and this plan is concerned, getting at least overflow parking done as one step to get closer and closer, the Warriors as a member of the community or future member of the community in Mission Bay have been very proactive, very forthcoming, gone out of their way to share and seek feedback and look for solutions to challenges that they face. As a business manager and a business owner, I speak for both our sales and most of our patrons when I say we throw our full support behind doing whatever the Warriors need to get their job done and bring a viable business to Mission Bay.

Wanetta Doty – I'm here as a 13-year resident of the City. 13 years ago, I moved from Pacific Heights to South of Market. I wanted to be a part of something new, a pioneer in a new area. I was there when there was plenty of parking. I was there before all the development occurred. I was there before all of the high tech companies came there. My eight year old son used to ride his bicycle in the parking lot behind Channel Street which is now developed. There's no more parking around there. It seems like when the companies do build, they do build parking lots but for their own people.

I love that the Warriors have reached out to the community. I actually sought them out when I read how much they were thinking about the community while they were wanting to build this wonderful arena and stadium for the area. None of the companies have done that. I love that they want to have parking in the South of Market area and the Mission Bay.

A company like the Warriors who want to involve the community, want to make the community space much better while they're providing something new to it is a worthwhile thing to consider. I can't wait for the stadium. I hope you guys approve it. I think being proactive like they are in creating alternative parking and traffic solutions is a great bet on them. I welcome them and I hope you do too.

Mark Nevean - I recognize today what is before you as a body is to discuss parking, but what I'd like to do is take an opportunity on this agenda item to kind of broaden that a little bit and make a few comments. As a Port Commission and this goes throughout the United States, you already know this. Of the 1,000 acres and seven and half miles that the Commission have purview over which is some of the most expensive real estate in the country, there's also a tremendous impact that comes from the Port Commission. Your approval isn't just about parking for the Golden State Warriors. It speaks loudly to the public about this whole entire venture.

Two things I'd like to talk to you about today. The first one is what happened across the Bay. If you remember, the Oakland A's, they hired a sports marketing firm out of Kansas City to try and locate a new facility for them. It cost them millions of dollars. They came up with four spots. Three of them, marginal.

Ultimately Lew Wolff decided to go to Fremont and he bought millions of dollars in blind trust land in the hopes that the stadium would be build. He also deposited over half a million dollars in the coffers for the City of Fremont to process this application.

Unfortunately because of citizen input, etc. things fell through. The City of Oakland had a City Manager, Robert Bobb, and had an Economic Development Director, Rosie Rios, who were pushing for a stadium in downtown Oakland. The Mayor, now Governor Brown came in and said, "That's not something that we're interested in right now. We do not want a facility in Oakland. What we want are residents downtown."

The trouble with that was City Manager Robert Bobb kept pushing for that. There were loggerheads. They came to loggerheads and ultimately Mayor Brown turned and asked Robert Bobb to leave. When he departed, he went to work for the District of Washington, D.C. What became history there was they built the Washington Nationals ballpark. Nothing was built on the other side. It was a missed opportunity. What I don't want to see happen here, for the entire Bay Area, not just San Francisco is a missed opportunity.

Lastly, your stamp of approval on this sends a message throughout the public, all of your constituents. You served on the Board of Supervisors. You represent union. You represent banking. All of that, when you say, "Yes," to parking is saying, "Yes," to the project. I recognize the agenda item today only speaks to parking, but it really says is your support.

Ultimately, when you put your stamp of approval, which I hope you do, on the project, you run into a situation now where, hey, this is your lasting legacy. You've got to have the right partner. The partner you have is the Golden State Warriors. I'm not paid by the Warriors. I'm not a consultant.

What I would say to you though, is that it's a dynamite organization if you stand back and look. Not because they won a title in basketball. Not because they got an Executive of the Year. Not because they represent diversity in leadership, but because of the other things that they do within the community. If you've got to have a partner with somebody, the Golden State Warriors seem to be the right partner to have.

Corinne Woods - I've been involved in the Warriors project starting with the Pier 30-32 Task Force and then because they decided to move to Mission Bay, as Chair of the Mission Bay CAC. It's been kind of three and a half years of fun.

One of the critical pieces for making this a success, not only for the Warriors but for the neighborhood, including Seawall Lot 337 which is coming up is relieving traffic congestion. Having offsite parking is going to be a major part of that. The EIR said there's plenty of on street parking which is completely ridiculous.

Going further than just the Warriors parking, the Western Pacific site could bring an opportunity to the Port. We're looking at the mix of land uses at the Pier 70 Waterfront site. One of the big questions is, "Are you going to build garages or are you going to build office and residential?" The Western Pacific site could be studied as part of that Land Use Evaluation and built into the EIR studies for the Pier 70 Waterfront site.

We're also looking at the Waterfront Transportation Assessment. We've got to a certain point with that. We need to take it the next step. The Waterfront Transportation Assessment makes perfect sense combined with this Western Pacific site because the MUNI East Rail Yard is right next door.

There are a lot of good reasons to look at the Western Pacific site for parking, way beyond just overflow parking for the Warriors which will be needed more than they think it will. Seawall Lot 337, Mission Bay congestion, what could happen on Pier 70, these are all important things. I hope you not only study it from the standpoint of the Warriors but that you expand your thinking and consider what that site could do for the rest of the Port's waterfront.

Barbara French, Vice Chancellor at UCSF - I'm here to speak in favor of the item. About a year ago our Chancellor Sam Hawgood and his team began taking a look at the potential impacts that the Event Center and development could have on our new hospitals. We opened a new Children's Cancer and Women's Hospital earlier this year.

Over the course of the year in several meetings with the City and the Warriors, focused on traffic and focused on the impact and access of emergency vehicles, access of patients, not just those who come in ambulance but those who come to the hospital in private vehicles, as well as visitors, as well as some of 3,000 of our employees who work at the hospital -- what would be the impact particularly when there were large dual events at AT&T Park and the Warriors Arena.

Working closely with the Warriors and the City, the remote parking or offsite parking was one of the things that led our Chancellor to come out about a month ago, in support of this project. We are strongly in favor of this. We think it'll pull some of those vehicles away from ground zero and lessen congestion and enable the City to work on other transit management and mitigations to help ensure smooth traffic flow in that area. We greatly appreciate your consideration and we strongly endorse it.

Commissioner Woo Ho - Thank you for the report Phil and I certainly agree with one of the previous speakers. This is collateral to the whole project but it is also an endorsement of the project. The biggest concern that many of us have is, "What is going to happen in terms of the Arena impact in terms of traffic flow and congestion in the area?" As we already see that on the waterfront today.

I personally believe that these two parking proposals will be very valuable and as I have discussed with some staff that the location of these lots given that they are actually further south of the actual Event Center means that the traffic will be offloaded sooner so it won't be coming as far south to the areas or far north to where the congestion is today. The location of the lots is one reason it's a great idea particularly for the overflow lot at Pier 80. It means the cars coming up from the Peninsula will be offloaded much faster with the shuttle service that is going to be put in from that lot to the Arena.

The second thing is that when this was brought up to my attention and from the Port's point of view and obviously I have a fiduciary responsibility from the standpoint of the Port is to understand that these lots, particularly 19th and Illinois, is certainly consistent with what we were planning anyway. This is no change in plan. It's just an acceleration in timeline for us to move this forward because it fits in with the larger neighborhood and community needs and for the Event Center.

From that standpoint, it is great to see that when it is consistent with what the Port was already planning for parking and this is just an accelerator trigger. We obviously do want to look at how we can alleviate transportation.

I'm not sure Phil whether you gave a clear answer, but we hope to hear more on this is that my understanding is that we will not have to come up with a lot of capital funds from the Port but that we will be asking the operator to put up the funds to actually bring these parking lots up into operating condition. If

that's the case, then the stress on us financially is also less. Can you speak to that point?

Phil Williamson - We looked at different funding sources and we're continuing to look at how to fund these projects. Our high level take away is that it makes sense for the Port to be in control of these properties, both in the development side and on the operations side. Our due diligence to date identifies about a four year payback period if we were to invest in these sites and generate the revenues I mentioned in my report. After that the Port would be in a position to receive all the revenue from the sites, short of the parking tax of course and the operator profit.

We have looked at various funding sources. We'll continue to look at that moving forward. Today you're giving us direction to proceed with these analyses and discussions. But to date our work indicates that if the Port stays in control of both sides, the development and the operational side, we think we are in the best position financially.

Commissioner Adams - It's funny about success. Success sometimes has an upside and it has a downside. When I think of the word strategy here Phil, does that also mean study too? Are they similar to what you're saying? What I mean by downside is we're second to New York now in congestion and traffic but something like this will help. The Warriors have been very patient in this whole process especially since there's been like one roadblock after another. There's been a lot of community involvement. There's been a lot of people for and against the project. This is going to provide an opportunity and it has a lot of opportunities with the parking and it will alleviate some of the congestion in our city. I think it's smart. The Warriors have been patient and they're doing everything they can, taking these small steps to try to make all the pieces fit.

I see Ken Rich from the Economic Workforce and Development over there scratching his hair out. This project is coming together and I'm in favor of this and I just want to see what it looks like. It has so many potentials like Corinne said and it's been a long time coming. This will help our community so I support it.

Commissioner Brandon - Thank you very much for the report. I agree with my fellow Commissioners and I am a huge proponent of the Warriors coming to San Francisco, that's absolutely wonderful. I'm very supportive of the 19th Street site and I'm very supportive of the study. Once we figure everything out, what then are the next steps as far as an actual agreement?

Phil Williamson - Thank you for asking that question. It kind of piggybacks on the question that Commissioner Woo Ho asked about control. The Port sees these as opportunities obviously for parking. Over the years as you're aware, we've developed an expertise in parking and parking development and parking management. We would look to employ those lessons learned over

the last 15-20 years and mainly invest with our Real Estate Department in developing these sites.

But before we could do that, we would work with OEWD and City Planning to clear the project environmentally. That's number one. Once we have a project that has a CEQA clearance, then we would put together a package of improvements and look at doing them ourselves if it's cost effective. We have some preliminary numbers that indicate a four year payback period but we would want to confirm that.

The 19th and Illinois Street is flat site. It needs paving. It needs grading. It needs striping and lighting. There are some significant costs. It's pretty straight forward.

The other site, the WP site north of Pier 80 as you saw is already graded and covered in a material that is suitable for parking especially on this intermittent nature right now estimated at nine games per year, or nine events per year. We don't see any significant cost there. We see that's more of a turnkey site for that initial period of time.

As Corinne mentioned, if we identify larger needs and larger demand for parking at that site, we have some preliminary estimates that indicate a significant cost to develop that site. We're talking over eight acres of property. And just doing the math from the 19th Street site, it's four times as big. We're in the neighborhood of four times as expensive to put a true parking lot there that has all the bells and whistles.

But for intermittent use and we'll confirm this with the Planning Department environmentally, we believe today it's suitable to use as it.

Commissioner Brandon - When we do the EIR, are we just looking at the Western Pacific site or are we looking at any other sites also?

Joy Navarrete from Planning staff - When we do the environmental review, we will look at both sites. As it stands now, we have covered the Pier 80, the Western Pacific site environmentally. It may need some kind of a note to file but it's ultimately cleared. Also to be clear, both of these sites are a mitigation measure to an impact, a traffic impact for the Warriors site.

We did analyze the impacts of the mitigation measure for both sites and those are covered. A question for the 19th and Illinois site is what kind of environmental review would be needed? We'll have to look and see if there would be any cumulative impacts associated with the Eastern neighborhoods EIR. If not, we may be able to exempt it.

Commissioner Brandon - Can I just say that I would encourage during the process that you guys at least inform the SWAC and Central Advisory committees of the progress?

Phil Williamson - Definitely. We have made one presentation to the Central Waterfront Advisory Group approximately three weeks ago and we can reach out to the SWAC as well.

Commissioner Brandon - Was that in the plan?

Phil Williamson - It's always in our plan.

Commissioner Katz - I also want to thank you Phil for your presentation and I appreciate all the public comments. This is an exciting opportunity for the City to see this project with the Warriors move forward and I know one of the concerns for many as was alluded to today has been parking and so I'm pleased that the Port can be part of a solution to addressing some of those measures. I appreciate the comments from UCSF that this really is a step towards addressing the concerns that have been raised.

It's also an exciting opportunity for revenue generation for the Port and in keeping with some of our prior plans particularly with the 19th Street site, sort of accelerating that. I'm looking forward to seeing the strategies that's developed and then seeing what staff brings back to us.

ACTION: Commissioner Brandon moved approval; Commissioner Adams seconded the motion. All of the Commissioners were in favor. Resolution Nos. 15-42 was adopted.

- C. Informational presentation on the proposed Infrastructure Financing Plan for Pier 70 Subarea G-1 encompassing the Pier 70 - Historic Core and approval of the Port-Controller Memorandum of Understanding to implement the Pier 70 - Historic Core Infrastructure Financing Plan. (Resolution No. 15-43)

Elaine Forbes, Deputy Director of Administration and Finance - I'm pleased to be here today to update you on the IFD Plan for Pier 70 Historic Core and to ask for your approval for a Port-Controller Tax Collector MOU that will implement the Infrastructure Financing Plan. I'm representing a larger IFD Team here.

The establishment of this IFD will enable the City to create an infrastructure Financing District on Port land at Pier 70 in the footprint of the Orton Development project. It will allow us to capture and use incremental property tax, in our case, possessory interest tax, generated from the Orton project to complete key capital improvements that are necessary for the Pier 70 project and to the Port's Capital Plan.

Before getting into the details of the proposed IFD, I want to acknowledge that IFD is a very important tool to advancing the Port's 10-year Capital Plan and it's been this Commission's leadership and our Executive Director's leadership in identifying the Port's Capital need and backlog and now projected \$1 billion of unfunded repair that has motivated the City to support

the use of tax increment for us to address our important needs. And the City has also adopted a policy framework to use for Port use of IFD which is very important as we move forward.

This IFD also advances strategic criteria that the Port Commission has identified as important in our Strategic Plan related to renewal and stability, the first two in the renewal category. Creating a vibrant new neighborhood at Pier 70 for residential, commercial and industrial PDR businesses and employees and expanding the Port's necklace of Open Spaces and creating a major new waterfront park and in the category of stability, advancing solutions to the Port's Capital Funding gap by maximizing external investment including IFD funds.

I won't belabor this point, but there's been a lot of effort to create the framework for Port IFD including State legislative work as well as local work from the Board of Supervisors, the California Legislature has established a very unique IFD mechanism for the Port and at Pier 70 we're able to secure not only the City's piece of possessory interest tax but also the State's piece.

Knowing that the IFD would be coming to the City and the Board of Supervisors established an IFD policy for Port property in 2012 with the following minimum criteria regarding when they will approve IFD. Obviously it needs to be on Port land. CEQA needs to be approved on the project that creates the IFD and the Capital Planning Committee needs to review the Infrastructure Financing Plan which describes the sources and uses of the plan. There's a priority of improvements. Obviously the improvements need to be consistent with our Waterfront Plan, the Public Trust and with our Port 10-year Capital Plan.

In terms of economic benefit, we are to show that the City's General Fund is net positive from the project after the formation of the IFD. The policy looks to allocate that State share and secure that State share whenever possible. Excess increment, meaning tax flow that we don't need for those priority improvements either returns to the General Fund or can be used for our Seawall or to protect us against Sea Level Rise. Any IFD that we establish, we need to identify how those improvements will be maintained over time and identify a clear funding source for how those improvements will be maintained.

There's also strategic criteria in the City's policy for the Port and specifically the IFD is to be used where Port monies are insufficient meaning that we don't have other sources to construct these public facilities. We are to leverage non-City resources, and here the State share comes into play. We are to use best practices in engaging the citizens in our new neighborhoods that we're creating and the improvements that the IFD will support.

You will recall at the time of approving the Orton project at Pier 70, of course for the public's benefit, this is a 66-year lease for the restoration of buildings

at Pier 70 along 20th Street. It's about 241,000 net square feet of new space. Both the Port Commission and the Board of Supervisors directed staff to form an IFD for Capital improvements and Public Realm improvements.

This proposal fits into the Port Commission's wider view of what we're preparing for this new neighborhood, maintaining ship repair, building a jewel in Crane Cove Park that will serve the neighborhood, the Forest City site as well as the Orton project. The Board of Supervisors process today is amending an IFD they previously formed to specify Project Area G to carve out the Orton project specifically for timing purposes and to maximize the benefit of that IFD.

This Orton Historic Core IFD is projected to receive about \$720,000 annually at stabilization and that's for a 45-year term. What that means in terms of nominal dollars is about \$49.2 million. This revenue stream over all that term equates to about \$18.26 million that we can use for projects and that includes pay-go sources and one bond issuance in the amount of about \$8.7 million in 2020-22.

This chart is reminding the Commission of the ERAF share from the State that we will receive so the City foregoing tax seven to three matched with State sources. Of the project sources, \$18.26 million here is our planned allocation. About \$14 million will go to Crane Cove Park Phase 2, \$3 million will reimburse us for the electrical work we're doing at Building 102 to separate BAE electrical from Orton electrical and then \$1.3 will go for sidewalks, streets and signal improvements to make that historic improvement work for the Public Realm.

In terms of Crane Cove Park, this is funding Phase 2 of Crane Cove Park. Phase 1 is approximately \$32 million. Phase 2 is expected to cost at a minimum \$20 million so with this source of funding, we still see a gap. This Phase 2 is really moving to provide improvements to that park relative to sun deck seating, maritime gardens and other improvements that round out this important park asset for the neighbors for the neighborhood.

You know about this project from the supplemental appropriation that we just brought. You've already improved this project. We will be reimbursed from IFD in the amount of \$3 million. This is an important project to remediate PCB transformers and provide the electrical service we need.

The street improvements, again \$1.3 million. It's for accessibility on 20th Street. It improves the intersection at Louisiana Street. It provides sidewalks and ADA improvements and curb ramps. In terms of sources and uses, these dollars are 2015-16 dollars. You'll see the Port Developer advance proceeds \$1.8, bond proceeds, \$6.6 and allocated tax increment, \$15 for total sources of about \$23.4 million. Below you'll see that \$18.2 in project sources in combination of pay-go and bonding and then interest expense of about \$5 million.

We have done the analysis in the Infrastructure Financing Plan related to the net benefit to the General Fund from the project. We find it to be positive. This is over the entire term of the IFD of between \$15.8 million and \$30 million. I'm sure you're going to ask, "Why is there such a big swing?" It's based on City's gross receipts taxes. Businesses with gross receipts less than \$1 million are exempt from paying gross receipts tax and we don't know whether the businesses will pay or not pay. So the high assumes everybody pays and the low assumes no business is paying. But even with the capture of property tax, possessory interest tax, the general fund is to the good. We have taken out the expenses to the general fund for police, fire and emergency services. The park and streets will be maintained by a CFD, Community Facilities District.

The IFD projects themselves, that \$18.26 million in projects, not the Orton project but just spending on these improvements will generate about 164 jobs and will create about \$10.4 million in payroll tax to the City. The MOU we're seeking your approval for sets the terms and the administration of the IFD between the Port, the Controller and the Treasurer Tax Collector. It provides that the three agencies cooperate in the distribution and the collection and distribution of IFD and it also allows us to use the City's authority to set up CFD, Community Facility Districts. The Port cannot do so. The City can. This MOU sets up that structure.

The Controller will allocate, budget and appropriate the tax. The Treasurer will levy the tax. We will be the fiscal agent of the IFD, doing all the important reporting and making sure those dollars are expended on the projects that are approved and will be issuing bonds appropriately.

The process of establishing an Infrastructure Financing District is in the California government code and it's a very lengthy process. First we introduced a Resolution of Intent to form the IFD at the Board of Supervisors. It's pending a final read at the Board. A Resolution of Intent to issue bonds has passed. We've given an informational presentation at the Capital Planning Committee.

We're here today updating you on our plan and asking for your approval of the MOU. Then we will be introducing the actual Infrastructure Financing Plan at the Board, the authorization to bond and the MOU. If all goes well, we expect Board of Supervisor approval in March and then the actual IFP will become effective in April. I and the team is here to answer any questions you might have.

Toby Levine from Central Waterfront Advisory Group - I'm here this afternoon to represent the CWAG, the Central Waterfront Advisory Group. We met three weeks ago with Phil Williamson as he mentioned. It was a very good meeting. Everybody was enthusiastic about the possibility of this

special Infrastructure Financing District because it meant so many important improvements for Pier 70.

In particular, solving that nasty little knot that had to do with Building 102 and getting the electricity straightened out which was going to cause us to be held back if that didn't happen. It didn't help BAE either if it didn't happen so that was very good and having the second phase of the park moving forward. We have to remember, this is a park for everybody, the whole city and the whole Bay Area. If anybody's walked around in Pier 70 recently along Illinois Street you know that until you get the sidewalk straightened out you do have a liability problem because they are in such terrible shape. Many problems are solved by this happening and our committee fully supports moving forward.

Commissioner Brandon - Thank you Elaine for such a wonderful report. So as far as the IFD financing, is this the only money that we will have or may there be other money?

Elaine Forbes - We hope there'll be other money. So the plan is to set up, and our Capital Plan acknowledges IFDs is Seawall Lot 337 and from the Forest City site. We intend to continue using this tool with our projects as a way to finance public infrastructure. The Board of Supervisors approved the initial formation several years ago, but this is the first time we've actually moved through to say, "Here, let's set up this IFD. Here's the plan," and start receiving revenues for these specific projects for the Orton, Crane Cove Park parcel.

We have a Port-wide IFD formed by the Board that includes six different project areas. We will be coming forward with all of these projects seeking more Infrastructure Financing Districts and bringing forth plans.

Commissioner Brandon - For this particular, is this the only funding available?

Elaine Forbes - This is the only funding available at this point. The way this works is the Board sets a "not to exceed" amount in terms of how much you can bond and a "not to exceed" amount in terms of how much you can collect and they so far have been generous with us. We've put in 30% contingency. We've been fairly aggressive with how much we think we'll earn.

The Commission and the City has more capacity from our partners in redevelopment. It's the best look we have. Sometimes people in my shoes underestimated what taxes might come in or how many times the property would turn over. It's very possible in 10 or 15 years we may have excess increment than we planned for and we would be having the conversations about what needs might be in the Port's Capital Program whether it's the

Seawall, Sea Level Rise or other unfunded needs that we might seek Board of Supervisors and Mayoral support to utilize for our Capital needs.

Commissioner Brandon - I was just thinking that because the Giants parking scenario wasn't around when we thought about this and the funding needs that maybe long-term we can think about maybe building a garage or something so that we get more revenue out of that site than just surface parking. Just my thoughts.

Elaine Forbes - Thank you.

Commissioner Woo Ho - In terms of all your cost of funds or costs of capital, how do you rank IFD?

Elaine Forbes - You mean, in terms of the quality of the credit?

Commissioner Woo Ho - Not the quality of the credit. More or less in terms of what you have to pay for the cost of capital. Basically what you have to repay out of this, where would you rank this as efficiency of capital use?

Elaine Forbes – Tell me if I'm on the right track, in terms of the quality of the credit and the repayment, we think that the market is very amenable and excited about land secured financing and so we'll be working with our FAs about whether it's a CFD bond or an IFD bond. There's been many CFD bonds and the market knows about them.

We've seen recent issuances in the 4% and high fours which is remarkable that's close to our own revenue bonding cost. This will be an efficient source to bond against. The market today, at least and if we structure it correctly, will respond positively to it. It's repaid by the IFD and the land security is the security, so it's very good from a fiduciary lens in terms of the Port's Harbor Fund isn't implicated in terms of repayment.

Commissioner Woo Ho - But in theory, relatively speaking. I think Monique understands my question.

Monique Moyer - I think so. So I would rank it fourth. GO Bonds first, City COP second. Port revenue bonds third. IFD bonds fourth. Based on expense ratios it's going to be fundamental to whether the underlying uses trigger tax exemption or are taxable. Does that answer your question?

Commissioner Woo Ho - Yes.

Elaine Forbes - Yes, that's a good answer.

Commissioner Adams - Very meticulous report Elaine, very good. Very thorough, very well thought out. I had the same question as Commissioner

Woo Ho had. It's very good to see that Mayor Lee and Supervisor Malia Cohen sponsored the two resolutions and that is going on to the full Board and then they're going to revisit I think on the 17th?

Elaine Forbes - That's right.

Commissioner Adams - It's good to see. I support this and I appreciate all the hard work from your team and everybody that worked on it. It will give us some solid footing. Thank you.

Commissioner Katz - I also want to thank you. As always, your report was so cogent. I often feel like we don't have a lot of questions, but it's because you've covered so much and that we appreciate it. I'm also supportive. I think it's a way of taking care of some of those other items we'd been figuring out how to quite hit those last few pieces. The IFD bonding opportunities are one other sort of arrow in our quiver so to speak. I'm excited about the opportunities we have to use it for these projects but as we move forward to see if there may be other times where, that may make some sense as well.

s you pointed out, the cost is, at this point in time at any rate, is quite low and worth exploring. If there may be some other opportunities to use it as well. That being said, I'm excited about using it here and particularly for the parks and figuring out how to fill in that hole on the project there. I'm very excited and pleased that we've come up with a way of doing that.

As Commissioner Adams mentioned, thank you to the Mayor and the Board of Supervisors and Supervisor Cohen for bringing this forward and helping us on it.

ACTION: Commissioner Brandon moved approval; Commissioner Adams seconded the motion. All of the Commissioners were in favor. Resolution Nos. 15-43 was adopted.

12. REAL ESTATE

A. Request authorization to issue Request for Proposals (RFP) for a Retail Leasing Opportunity at the Pier 29 Bulkhead Building located at Chestnut Street and The Embarcadero. (Resolution No. 15-41)

Mark Lozovoy, Assistant Deputy Director of Real Estate - You might recall that the first time that we introduced this project to you was believe July 2014. At that time, Jonathan Stern and I prepared an informational presentation of our vision of re-tenanting the bulkhead building. The basic premise behind that was that after the vacation of the America's Cup activities, we wanted to see something there other than just industrial storage, warehousing or parking. We were looking for uses that would bring the public in the building and enliven the area and also augment the Cruise Terminal.

The second time Port staff came to you was in July 2015. At that time, staff proposed a much more refined vision of the uses at the Pier 29 Bulkhead building. Those uses revolved around more of artisan space -- arts, crafts, designer/maker type of uses. At that time, the feedback from the Port Commission was very positive. We got good feedback from NEWAG and other Port stakeholders so much so that at that time the Port Commission directed staff to move forward with the next steps which would be putting together an RFP and issuing that RFP. We would now like to seek approval of that RFP. Susan Reynolds has very graciously volunteered to present the body of the presentation, and upon completion of that we will both be available for answering questions.

Susan Reynolds, Deputy Director for Real Estate - I'm going to give you a little bit of our next steps on the actual Request for Proposals. The Pier 29 site is 20,000 square feet. It is located just north of the James R. Herman Cruise Terminal.

We will issue the RFP package consistent with Port approved standards and the RFP itself will include instructions for submittal, a site map, narrative description of the opportunities, project objectives, approval process, lease terms, selection process and the schedule for how the RFP and the approval process will work.

We are focusing on uses that will create sales in art spaces for crafts, dry goods and may include studios for artists and designers and presentation space. It may include innovators, open studios, i.e. live demonstrations and displays which is in high demand right now. The goal is to augment the experience of the waterfront for the visitors and residents without competing with existing uses along the waterfront.

We will advertise the RFP and we want to ensure that we cast a wide net. We will use the Port Web site, the Office of Contract Administration Web site, official city newspapers, industry contacts, San Francisco African American Chamber of Commerce, the Hispanic Chamber of Commerce of San Francisco, Chinese Chamber of Commerce of San Francisco, the LGBT Chamber of Commerce which includes the Golden Gate Business Association, San Francisco Business Times, the Board of Supervisors, Neighborhood Outreach Advertising Network and SPUR. One of the things that we will be doing is after the short list bidders is selected, the Advisory Panel will recommend two to three proposals and staff will return to the Commission for presentation and feedback before making a final recommendation. We hope to have an Exclusive Right to Negotiate the lease by August 2016 and then we will come back with a final approval to the Port Commission and then it will go on to the Board of Supervisors.

Jon Golinger - I sit on the Northeast Waterfront Advisory Group and start next week on the Waterfront Plan Working Group which I'm excited to do.

Commissioner Katz - Thank you for doing it.

Jon Golinger - Sure. Pier 29, this is an incredibly important pier. I think you all know. I just want to remind those who don't that this is the site where many of us fought to stop a mall from taking over the piers 10 years ago. It's the site I stood next to Director Moyer in June 2012 and watched the pier face fall to the ground in flames. Luckily no one was hurt.

It's the front porch. With the Cruise Terminal, it is now more than ever become an important part of the waterfront. I want to encourage you not to move forward with this today as proposed. I am very concerned that there is zero community input in this process.

Port staff came to NEWAG in July. We haven't heard since and we were under the impression we would at least get a more fully formed sense of what was going to be proposed in this important pier for the next decade. There is a NEWAG meeting scheduled for December 2, 2015 before your next Port Commission meeting. That's what I would ask you to do today.

It's particularly important because what you're proposing directly conflicts with the Waterfront Plan in two ways: (1) The Port Waterfront Land Use Plan calls for a mixed opportunity recreation site in this location. Of course I recognize the Cruise Terminal is a new use of that pier. There's nothing to prevent us, at least, trying to put active recreational uses such as those in Chelsea Pier in New York in the shed in some way. This proposal proposes zero recreation. No chance for people to come get active near the waterfront. You could do it. (2) In the Waterfront Plan itself and it's referenced in the Port's Waterfront Land Use Plan Review on page 81, the acceptable land use table which is by law as I understand it, these uses only are allowed on the site, specifically does not allow artisan, designer commercial uses on this site. That box is empty.

While that may be a use, I think if it's not going to be recreation, is a good idea, if we're about to go into a planning process for the next year and a half to create a new plan, if the Port Commission can simply ignore it when it's on its face says, "This use is not allowed here." I don't understand the value of going through the process over the next year and a half.

At a minimum, and I know there are other people in the community that feel that this deserves some sunshine before it steamrolls forward and this is going to happen very quickly if you move forward as proposed. This is a stewardship opportunity. I know you want to try to do things a little differently. I do fear that with a prime site such as this moving forward in this way, it's going to be yet another flashpoint where we don't need one.

Bob Harrer, President of the Barbary Coast Neighborhood Association and member of NEWAG - First of all, I want to make it clear that we recognize

that there's a need to bring Pier 29 back into some sort of productive use. I would also point out that this has a lot of interest from the neighborhood because there are a number of housing units right across the street. This would be a different use than has historically taken place at the pier with more public involvement with retail opportunities being proposed, that clearly is going to bring more traffic, potential congestion, etc.

There was some good presentations made in general and most recently at the NEWAG meeting in July, I was under the impression that there would be, before the RFP was issued, another step involved, either review or touching bases with the community. At that meeting we had specifically sought a little more community input on exactly what was going to be transpiring. With that in mind, and I've noticed in the memorandum talking about today's presentation, that there is no real mention of public outreach or communication and review with the neighborhood.

If you choose not to accept what Mr. Golinger has proposed, I would also ask that before the RFP be issued, that there be some sort of public review included in the proposal and that there be something made very explicit in that proposal about public outreach that would take place.

Monique Moyer – For the record, I'd like to clarify that both speakers referenced Pier 29 as the entire Pier. This proposal is for 20,000 square feet which is just the bulkhead building. I'm certain Mr. Golinger must've missed that. The full shed is 150,000 square feet and that is subject to the Waterfront Land Use Planning process that we've been talking about all along. This process on the RFP and the use of the bulkhead started before there was a decision made to go forward with the Waterfront Land Use Plan Update. o I just want to clarify that nothing has been ruled out in the way of recreational or public access for the shed itself.

Commissioner Katz - Thank you, I was going to get some clarification on that too. I would've been surprised if the pier was only 20,000 square feet.

Commissioner Woo Ho - I think we have been discussing what to do with the bulkhead for some time and after the fire etc. I believe that another discussion with the community might be a good idea. As Director Moyer clarified, it's not for the entire pier. The uses that we are considering, I'm not saying that I'm against or for what was proposed, but I'm not sure whether there's enough information to say that those are the only uses that we should consider.

I'm still up in the air in terms of what would be some of the proper uses that we could use in the bulkhead. I know we've discussed a variety of things in the past so it's not as if staff has not tried to keep us informed in that regard. It's a little bit hard to come down with a very specific opinion to say that we will only entertain proposals within this type of zone, so to speak, or this type

of use. I think a little more discussion, a little more information, a little more input might be helpful before we go ahead with all the guidelines for the RFP.

Commissioner Brandon - Thank you very much for the presentation. Everyone knows that I'm a big proponent of our CACs so I'm just happy that we even spoke to someone before we brought this. However, it sounds like we need to revisit the Northern Waterfront CAC.

I'm not quite sure what other proposals have come through that could work at the bulkhead site. I do support this proposal. Like Commissioner Woo Ho. I don't know if it's the best use for this site or the only use. I don't want to say that the RFP is broad or vague, but I don't know if it's telling our audience what exactly we're looking for. When I read the staff report, I'm a little confused that we're looking for a master lease holder to bring in different types of businesses. What exactly are we looking for in the RFP?

Mark Lozovoy - We were looking for one tenant hopefully that would perhaps have a number of different uses. There may be some food service, something revolving around artisan space, the making and selling of San Francisco Made goods, that sort of thing.

Commissioner Brandon - What do you mean by dry goods?

Mark Lozovoy - That was a definition in the Waterfront Land Use Plan. It excluded tobacco. I don't know if that's the reason that they had that definition. Dry goods would be crafts, articles made by people, that sort of thing.

Monique Moyer - We have had discussions with the CAC. The speakers are correct, we have not discussed this with them since July. The Waterfront Land Use Plan, one of the things we could do very easily without having to go through any process is to put this space out for a restaurant on our normal retail lease bid.

In talking to the community formally through the NEWAG but also informally with the rest of our tenants, there was a lot of concern about a major restaurant taking on the space and potentially cannibalizing some of the tenants, the market share of our current tenants. We definitely didn't want to do that. We did narrow our focus to something that is not competitive to the people that operate this building or the people that operate in our Fisherman's Wharf area.

The reason that we are looking towards more of a master lease is we were hoping to get some entity or some combination of entities. The RFP does allow for multiple bidders to curate the space. Because 20,000 square feet isn't exactly small and we don't want one user that would be one 20,000 square foot use. We don't have the capacity to manage a lot of small stalls such as the Farmer's Market for example and the small stalls that are

embedded both within the building on a permanent basis and the pop up for the Farmers Market.

It was more of a vision around that. It's clear that's not coming through in the language that we've presented in both the staff report and the RFP so we do have more work to do but that was the feedback we did get from our community. As I recall, Mr. Golinger has not liked this proposal from the get-go and has characterized it as a mini mall. We have worked with other constituents who have liked it and this is the basket that we've narrowed down.

To Commissioner Woo Ho's point, there are quite a few things that we could do and the most popular right now, the highest and best use would be to put it out to bid for a major restaurateur. That would pay us the most money. I'd be happy to do that if that's what the community wants. This use that we proposed is less money but more community friendly.

Commissioner Brandon – So it would be like the Ferry Building but San Francisco Made items, or locally made.

Monique Moyer - More locally made. As a regional entity of State Lands, we cannot limit it to San Francisco Made, but we are certainly hopeful that we would get users who would have that bent.

Commissioner Woo Ho - One of the things that we've talked about in the past is its close proximity to the Cruise Ship Terminal. It would be a good idea to have a place for the passengers to spend their money while in San Francisco as they get off and on the ship.

We have tenants at Pier 39 and beyond but there's nothing around Pier 27. There are no amenities within the terminal itself. If you've been to any other major cruise ship terminals in the world, you will see that they do a great job to make sure that people are tempted, would buy lots of different things whether a lot of them are locally made, culturally sensitive, etc.

We need to think about this and I'm sure Commissioner Adams might have brought this point up. It is in the neighborhood of the Cruise Ship Terminal and it needs to be somewhat aligned in terms of the whole neighborhood for the people who live there and the people who are going to be visiting. We have to figure out how it all fits in together. I'm not sure I get that whole feel yet.

Monique Moyer - Fair enough. That was our goal in the artisan residence as being a combination of something that could create employment for people but also create entertainment for the number of visitors, not just from the cruise ships but the number of visitors that are walking through, enjoying the park or just traversing from this area of the city up through the waterfront. It is somewhat desolate as of right now.

Commissioner Katz - I had some of the same questions as my colleagues and even as some of the speakers. I missed that we would even allow food. I interpreted it that we weren't going to allow any kind of food venues there. Given that there isn't anything that's inexpensive around, just some nearby sit down restaurants, something with food should potentially be allowed or create something different that's not traditional.

I know the goal and I appreciate that staff and everyone have tried to figure out how to be creative and do something that's different that will serve those guests coming off of the cruise ships but also serve the community and also be an opportunity to showcase some of our artists and makers here in the area that don't always have the opportunity along the waterfront to showcase their products. This is a great opportunity to figure out a way to do something different and serve the community as well.

I'm afraid that's not clear in the RFP. It might be worthwhile to reach out a little bit further. Executive Director Moyer articulated it very well that this is a place to showcase local artists and local makers, not necessarily San Francisco and give them an opportunity. We do need a little bit more description in the RFP.

Monique Moyer - We'd be happy to do that. As Mark reported, we did this with you in July and the staff report from July articulated all of that. I apologize that so much time has gone by that it's not fresh in everybody's mind.

Commissioner Katz - No, I think it is. All I'm saying is that it's not as clear now in the actual resolution coming forward. By the very nature of having to put out an RFP, it seems a little bit more sterile. There needs to be a bit more outreach and work with the community to ensure that they understand that what was presented to us previously is really what's invited and ambitious.

Monique Moyer - They got the same presentation but we're happy to do it again.

Commissioner Woo Ho - Maybe there's a theme, a theme that you need to articulate. I understand we can't restrict ourselves perhaps to San Francisco. Going back to the Cruise Ship Terminal, these are people coming from all over. It can be a California based theme. This is California State Land.

Monique Moyer - We did, the theme is the Bay Area Region.

Commissioner Woo Ho - The Bay Area Region or, as you and I have talked about in the past, there are wineries. There are other things that can be blended in with the artists kind of a California type, "What does California offer?"

Monique Moyer - I think that what you're pointing out is that the articulation, and it's my fault because Mark had more in the staff report, and I pared it back. What we articulated in July needs to be rearticulated.

Commissioner Katz - Also there was a concern that it wasn't going to integrate any proposals or information that comes from the Working Group of the Waterfront Land Use Plan Update yet that's actually clearly stated in here that will be envisioned for other parts of the pier that, as was pointed out, this is a small piece. There may be just some added clarification that needs to go out.

Commissioner Adams - I think we should hold this item over to the next meeting. As I mentioned earlier, when trying to do something, different people have different opinions. Everybody's got different agendas but what we want is the best waterfront we can get and clearly right now, there hasn't been enough public involvement and the vision is not as clear. We need to take it back and work on it some more.

Monique Moyer - Do you want us to put a major restaurant back on the table then? That seemed to be where you were coming from Commissioner Woo Ho.

Commissioner Woo Ho - No, I am not. I am not suggesting a major restaurant. I am suggesting some sort of ambiance and I agree with Commissioner Katz.

Monique Moyer - Clarify for me if you would, you said you were still up in the air of what the proper uses in the bulkhead would be for the highest and best uses. Do you want us to put highest, best uses back on the table or do you want us to work more on the vision that we've articulated?

Commissioner Woo Ho - I don't know that they have to be in conflict unless you are telling me they are.

Monique Moyer - From a financial perspective they are.

Commissioner Woo Ho - Maybe that's where we need to keep working.

Commissioner Katz - Previously we had said we like the vision that's articulated, that we do want something different. It's just a matter of somehow it seems that, at least as was represented by two of the speakers they certainly didn't grasp that understanding that this actually is something different and unique and we're trying to provide more value to the community.

Monique Moyer - I'm fully on board with that and support that exactly. I'm trying to clarify the direction that came from the Commissioners as to the work they want us to do on the uses themselves. I understand support, that

we need to talk with the community more and we have, beyond just the two people who came today. This isn't a very deep representation of the community we have talked with.

Commissioner Adams - We understand that. Everybody understands that.

Monique Moyer - What I'm trying to clarify is, do you want us to go back further than July and relook at a different basket of uses?

Commissioner Katz - No, we're just requesting it be articulated just a little bit more or perhaps go back and incorporate some of what was previously presented to us because apparently it's fallen on some deaf ears out there.

Monique Moyer – Okay, I'm indifferent. Either way is fine.

Commissioner Katz - I think the sense of the Commission is we do want to do something that's more beneficial to the community and not cookie cutter and that's what we've appreciated about this. We just want to make sure that that's clear and that's the kind of responses that we'll get back when the RFP goes out.

Commissioner Woo Ho - I would like to reiterate that I do not accept that it has to be at the expense of the highest and best use. I'm just saying, it may be. But if you're starting off saying, "Community benefit will not make lots of revenue for the Port." I think you have to be creative. It takes a lot of thinking to get the vision, right? And that's what the challenge is. I know that that's not something you want to hear, but I would say let's figure out how to put the two together.

Monique Moyer – We just spent the last two years doing that Commissioner, so I don't have an issue hearing it. I'm confused on what the direction is.

Commissioner Katz - I think there's a term of art that might be misunderstood. By saying, "highest and best use," it means that they have to rule out anything that's more creative. That it would just automatically fall to the tenant that would pay the most money for the site.

Commissioner Woo Ho - I'm not asking for the tenant that would pay, no.

Commissioner Katz - I get that that's not what you're asking.

Commissioner Woo Ho - That's not what I'm asking at all.

Commissioner Katz - By just using that term of art, we want to be clear that we are coming up with ways that the Port can benefit but also that it will be creative and present unique opportunities.

Commissioner Woo Ho - I think we don't disagree. I think we agree that whatever goes in there should not compete directly with what we have on the

waterfront with our other tenants. We probably can somewhat agree that that's a good principle to have because we are trying to keep the portfolio healthy for everybody. Would we agree?

Monique Moyer - So what I've heard so far is not compete, make it a regional-based focus and get the best, highest money. Is that the direction?

Commissioner Brandon - Forget the best and highest money.

Commissioner Adams – No.

Commissioner Katz – No, that's not what we are saying.

Monique Moyer - I'm sorry, but that's what Commissioner Woo Ho is saying.

Commissioner Katz - But there's four of us.

Monique Moyer - I don't know how to reconcile that.

Commissioner Woo Ho - I have clarified more than once that I did not say it's the highest money, but I did say that when you say the highest and best use, it doesn't always mean the highest money but I also don't think it's something where you just put the struggling artist in and we give them discounted rent. So we can say, "Oh, this is a great benefit for the community," either.

Because this is a very valuable real estate that we're talking about. I'm not saying, "Make the most money." I agree with you. If we wanted to do that, we would just put a restaurant in and compete. That's not necessarily what the vision is.

Commissioner Katz - As I understand it, we're looking for a master tenant that will provide that diversity of uses inside so that it will be revenue generating for the Port. It may not be necessarily what a restaurant might provide but there will be the options for mixed uses in there that would even it out so we would get that diversity. By going to a master tenant, it would then fall upon them to come up with the more creative uses. We're looking for bidders that would come up with different entities that would come in there and be creative, and that's one of the things that they would be judged on in the RFP. Is that correct?

Monique Moyer - That's correct. That's the staff's proposal. That's what we've been working on for the last two years.

Commissioner Adams – We're only talking about 20,000 square feet. That's what this whole thing was about. We weren't talking about the whole space.

Monique Moyer - No.

Commissioner Adams - We're all over the place. We need to get focused back into to where do we want to do with this, where are we at with the 20,000 square feet? That's what the resolution says.

Commissioner Katz - I think it's a matter of semantics. I don't think there's a disagreement with the vision. It's just some semantics in there. Perhaps we can wordsmith it before it comes back to us. Perhaps there can be some additional outreach to the community groups that they recognize that this should be a benefit to them, not for them to come and be concerned.

On the contrary, we have heard them over the last two years and that this is the culmination of that outreach, not just to one group but to multiple groups along the waterfront and we are incorporating something that benefits a variety of our constituents that are all along the waterfront, not just one group. I think that may need to be clarified, perhaps a little bit of additional outreach and some wordsmithing and bringing it back to us at our next Commission meeting.

Monique Moyer - I think that's clear. Thank you.

Commissioner Katz – Colleagues, does that makes sense?

Commissioner Adams - I think so. I think it should be noted on the record that the people that may not like it, they're not speaking for the whole community. We just heard two people that came, the public that spoke, they have a right to speak. But they weren't speaking for the whole community. The community is broad and it's vast and different people have different opinions and that's a healthy thing. That needs to be said.

Commissioner Katz - I thought I just said it.

Commissioner Adams - You did.

Commissioner Brandon - So we're holding this over, right?

Commissioner Katz - Yes.

13. NEW BUSINESS

Commissioner Katz – There's one item that has come up a couple meetings ago, but I don't see it on our forward calendar. At some point, the report's coming out on the Sea Level Rise. Could we make sure we get that on our forward calendar so that after the report has been released we can have a presentation on that?

Monique Moyer - Yes, I think that they'll be simultaneous but we haven't prognosticated a date yet. That's why you haven't seen it on the forward calendar. We will as soon as we feel more confident.

Commissioner Woo Ho - The other item which I mentioned earlier today is at some point it would be good to get an update on the building behind us.

Monique Moyer - The One Ferry Plaza.

Commissioner Woo Ho – Yes, One Ferry Plaza.

14. ADJOURNMENT

ACTION: Commissioner Brandon moved approval; Commissioner Adams seconded the motion. All of the Commissioners were in favor.

Port Commission President Leslie Katz adjourned the meeting at 5:35 p.m.

